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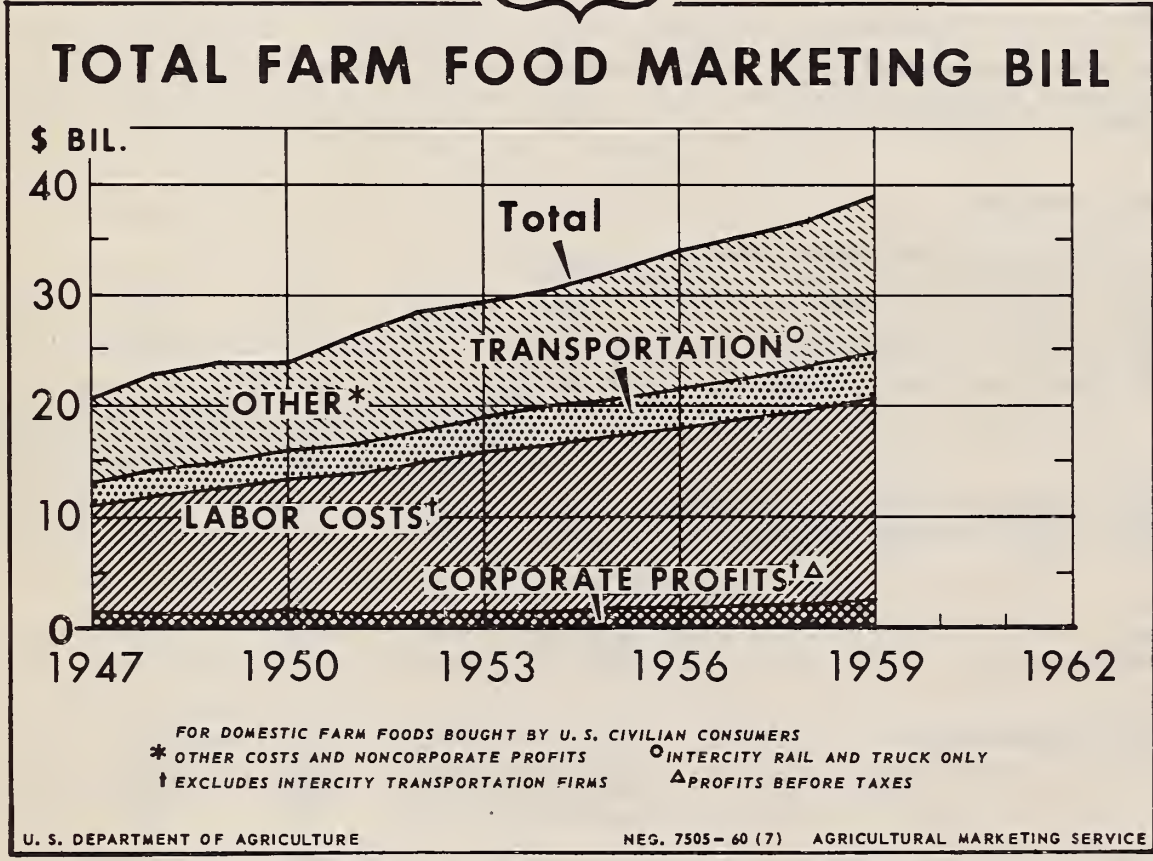
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# The MARKETING and TRANSPORTATION SITUATION

MTS-138



In this issue:  
The Farm Food Marketing Bill  
Marketing Spreads for Turkeys...  
Wages of Food Service Employees  
...Food Distribution Organizations  
Advertising Expenditures...



The total bill for marketing farm-originated food products bought by civiliam consumers in this country has risen each year since 1950. It reached \$39.0 billion in 1959--63 percent higher than in 1950. This increase resulted more from rising marketing charges per unit of product than from expansion in the volume of products handled. All components of the marketing bill increased during

the 1950's, but the proportion each represented of the total did not change significantly. In 1959, labor costs made up about 47 percent of the total marketing bill, rail and truck transportation charges accounted for 10 percent, corporate profits (before taxes) for 6 percent, and other costs and profits of unincorporated marketing firms, 37 percent.

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STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1959		1960		
		Year	Apr.-June	Oct.-Dec.	Jan.-Mar.	Apr.-June
<u>Farm-to-retail price spreads</u> 1/						
Farm-food market basket:						
Retail cost .....	Dol.	1,040	1,040	1,033	1,030	1,054
Farm value .....	Dol.	399	402	385	398	411
Farm-retail spread .....	Dol.	641	638	648	632	643
Farmer's share of retail cost .....	Pct.	38	39	37	39	39
Cotton: 2/						
Retail cost .....	Dol.	2.12	2.11	2.14	2.15	---
Farm value .....	Dol.	.31	.33	.30	.30	---
Farm-retail spread .....	Dol.	1.81	1.78	1.84	1.85	---
Farmer's share of retail cost .....	Pct.	15	16	14	14	---
Cigarettes: 3/						
Retail cost .....	Ct.	25.4	---	---	---	---
Farm value .....	Ct.	3.98	---	---	---	---
Federal and State excise taxes .....	Ct.	11.2	---	---	---	---
Farm-retail spread excluding excise taxes .....	Ct.	10.2	---	---	---	---
Farmer's share of retail cost .....	Pct.	16	---	---	---	---
<u>General economic indicators</u>						
Consumers' per capita income and expenditures: 4/						
Disposable personal income .....	Dol.	1,906	1,916	1,922	1,941	1,975
Expenditures for goods and services .....	Dol.	1,774	1,776	1,794	1,808	1,831
Expenditures for food .....	Dol.	388	388	390	390	---
Expenditures for food as percentage of disposable income .....	Pct.	20	20	20	20	---
		1959		1960		
		Year	May	Mar.	Apr.	May
Hourly earnings, production workers, manufacturing: 5/	Dol.	2.22	2.23	2.29	2.28	2.29
Hourly earnings of food marketing employees 6/	Dol.	2.06	2.05	2.13	2.13	2.14
Retail sales: 7/						
Food stores .....	Mil. dol.	4,307	4,342	4,511	4,439	4,569
Apparel stores .....	Mil. dol.	1,102	1,154	1,137	1,168	1,126
Manufacturers' inventories: 7/						
Food and beverage .....	Mil. dol.	4,828	4,967	4,817	4,854	4,993
Textile .....	Mil. dol.	2,502	2,487	2,674	2,719	2,698
Tobacco .....	Mil. dol.	1,893	1,873	1,946	1,952	1,953
Indexes of industrial production: 8/						
Food and beverage manufactures .....	1957=100	106	108	108	108	109
Textile mill products .....	1957=100	113	115	111	110	113
Apparel products .....	1957=100	120	122	124	127	129
Tobacco products .....	1957=100	112	111	113	116	---
Index of physical volume of farm marketings .....	1947-49=100	128	98	98	98	104
<u>Price indexes</u>						
Consumer price index 5/	1947-49=100	124.6	124.0	125.7	126.2	126.3
Wholesale prices of food 5/	1947-49=100	104.4	104.7	105.4	105.8	106.1
Wholesale prices of cotton products 5/	1947-49=100	91.7	90.8	95.6	95.0	94.8
Wholesale prices of woolen products 5/	1947-49=100	101.6	101.1	102.8	102.7	102.4
Prices received by farmers 9/	1947-49=100	88	90	89	89	89
Prices paid by farmers 9/	1947-49=100	115	115	115	116	115

<sup>1/</sup> Average quantities of farm food products purchased per wage-earner or clerical-worker family in 1952. <sup>2/</sup> Data for average family purchases in 1950 of 25 articles of cotton clothing and housefurnishings divided by number of pounds of lint cotton required for their manufacture; see U.S. Dept. Agr. Mktg. Res. Rpt. 277. <sup>3/</sup> Data are for package of regular-sized, popular brand cigarettes; farm value is return to farmer for 0.065 lb. of leaf tobacco of cigarette-types; data for fiscal year beginning July 1, 1958. <sup>4/</sup> Second quarter 1960 data are from preliminary estimates by the Council of Economic Advisers. Seasonally adjusted annual rates, calculated from Dept. of Commerce data. <sup>5/</sup> Dept. Labor. <sup>6/</sup> Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. Labor. <sup>7/</sup> Seasonally adjusted, Dept. Commerce. Annual data for 1958 are on an average monthly basis. <sup>8/</sup> Seasonally adjusted, Board of Governors of Federal Reserve System. Revised. <sup>9/</sup> Converted from 1910-14 base.



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Prices farmers received for food products advanced 3 percent from the first to the second quarter this year. Most of this rise was caused by the higher prices for hogs, eggs, and some fresh fruits and vegetables. Prices in the second quarter also averaged higher than a year earlier. During the second half of 1960 farmers' prices of food products probably will continue to average above year ago levels, mainly because marketings of hogs, eggs, and some fresh fruits and vegetables will be smaller than last year.

Charges for marketing farm food products made about the usual seasonal advance from the first to the second quarter this year. The second quarter level was up 1 percent from a year earlier. Wages and some other costs incurred by marketing firms were higher than a year ago.

Retail prices of farm food products in the second quarter this year were 2 percent higher than in the preceding quarter and 1 percent higher than in April-June 1959. More than half of the advance in retail prices from the first to the second quarter this year was reflected in higher prices received by farmers.

Farmers received 39 cents of the dollar consumers spent for farm foods in April-June of this year, the same as in the preceding quarter and in the second quarter last year.

The bill for marketing domestic farm food products sold to civilian consumers rose from \$37.0 billion in 1958 to \$39.0 billion in 1959. Expansion in the volume of products marketed accounted for most of the rise; marketing

charges per unit of produce also were a little higher in 1959 than in the previous quarter. The payment farmers received for these products totaled \$19.7 billion in 1959, compared with \$20.7 billion the preceding year. The first article in this issue considers recent changes in the food marketing bill (pp. 11-18).

Farm-retail spreads for turkeys marketed in five major cities during the last quarter of 1959 were the smallest for the October-December quarter in 4 years. The decrease from 1958 to 1959 resulted mainly from decreases in retail store spreads (pp. 19-24).

The third article presents data collected in a survey of wages paid food service workers in 95 cities. Wages vary widely among the 10 job classifications survey. Substantial differences also were found between wages in different areas of the country (pp. 25-27).

Organizations having more than one establishment have gained a growing share of total retail food store sales during recent decades. A major part of the growth of these multiestablishment organizations has resulted from their opening new stores. They have been able, probably to a larger extent than single establishment organizations, to benefit from the growth in population, the rise in personal disposable income, the increased variety of items to be sold, and from other developments. The growth, the location, and the services performed by multiestablishment food distribution organizations are as important to farmers as to consumers. Recently published statistics by the Federal Trade Commission present these facts and enable limited analysis of their implications for farmers (pp. 28-36).

Advertising expenditures by corporations manufacturing food products increased 137 percent from 1947 to 1957. Since the gross sales and total costs of these corporations increased at a slower rate; advertising expenditures as a percentage of gross sales and total costs increased over this period. The final article presents estimates of advertising expenditures by individual food manufacturing industries and supplements the article in the January 1960 issue of this Situation that presented estimates of advertising expenditures by corporations manufacturing, wholesaling, and retailing food products (pp. 37-39).



## FARM RETAIL SPREADS FOR FARM FOOD PRODUCTS

### Farm Value 2 Percent Higher Than a Year Ago

The farm value of the "market basket" of farm foods was 2 percent higher in the second quarter this year than in the second quarter last year. <sup>1/</sup> At \$411 (annual rate) it was at its highest point since the final quarter of 1958 (table 21, page 42). The farm value declined in each of the last three quarters of 1959. For the poultry and eggs group, the farm value was 20 percent higher than a year earlier. This rise accounted for much of the increase in the market basket total. Declines in the farm value of meat products, fats and oils, and miscellaneous products groups were about offset by increases for the dairy products, bakery and cereal products, and fruits and vegetables groups.

The farm value of the market basket rose 3 percent from the first to the second quarter this year. It was the first time since 1958 that the farm value rose during two successive quarters. All major product groups except dairy products increased in the April-June quarter this year. Meat products rose 5 percent and fruits and vegetables 7 percent.

In the next few months farm prices of food products probably will average above those of a year ago. Hog prices probably will decline seasonally, but will remain above last year's levels. Despite seasonal declines later this year, prices of eggs and frying chickens are likely to stay above corresponding 1959 prices. As a result of smaller crops of most fresh fruits and vegetables, prices received by farmers for these products are expected to be above a year ago. Changes in prices of cattle are expected to be slight, thus remaining lower than a year earlier.

### Small Increase in Marketing Charges

Marketing charges for farm food products, as measured by the total farm-retail spread of the market basket, were 1 percent higher in April-June 1960 than a year earlier (table 22, page 43). <sup>2/</sup> Higher marketing charges for fresh fruits and vegetables accounted for much of the increase in the market basket total. A 2-percent increase established a new high for the dairy products group. Marketing charges for the meat products, poultry and eggs, and fats and oils groups were down slightly from a year ago levels.

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<sup>1/</sup> The "market basket" contains the average quantities of farm-produced food products purchased for consumption at home per urban wage-earner or clerical-worker family in 1952. Additional information concerning the contents of the market basket and methods of estimating market-basket data are given in "Farm-Retail Spreads for Food Products," U.S. Dept. Agr., Misc. Pub. 741, 1957. The farm value is the payment farmers received for the farm products equivalent to the foods in the market basket.

<sup>2/</sup> The farm-retail spread or difference between the retail cost of the market basket and the farm value is an estimate of charges made by marketing agencies for assembling, processing, transporting, and distributing the products in the market basket. The farm-retail spread is also referred to as the marketing margin.

Table 1.--The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-60 1/

Year and month	Retail cost 2/	Farm value 3/	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1947 .....	911	467	444	51
1948 .....	982	497	485	51
1949 .....	928	435	493	47
1947-49 average .....	940	466	474	50
1950 .....	920	432	488	47
1951 .....	1,024	497	527	49
1952 .....	1,034	482	552	47
1953 .....	1,003	445	558	44
1954 .....	986	421	565	43
1955 .....	969	395	574	41
1956 .....	972	390	582	40
1957 .....	1,007	401	606	40
1958 .....	1,064	430	634	40
1959 <u>4/</u> .....	1,040	399	641	38
<u>1959</u> :				
January .....	1,048	411	637	39
February .....	1,042	406	636	39
March .....	1,036	407	629	39
April .....	1,037	407	630	39
May .....	1,035	400	635	39
June .....	1,050	400	650	38
July .....	1,052	394	658	37
August .....	1,039	396	643	38
September .....	1,043	399	644	38
October .....	1,037	390	647	38
November .....	1,030	384	646	37
December .....	1,032	381	651	37
<u>1960</u> :				
January .....	1,030	387	643	38
February .....	1,028	394	634	38
March .....	1,032	412	620	40
April .....	1,053	416	637	40
May .....	1,054	411	643	39

1/ The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913-56 are published in "Farm-Retail Spreads for Food Products," U.S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical-worker family in 1952, calculated from retail prices collected by the Bur. Labor Statistics.

3/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

4/ Preliminary estimates.

: Current data are given in the Statistical Summary, :  
: a monthly publication of the Agricultural Marketing Service.: :



The market basket farm-retail spread increased about 2 percent from the first to the second quarter this year. This was about the usual seasonal increase. At an annual rate of \$643, it was near the record level of the third quarter last year. Marketing charges for most product groups in the market basket rose slightly from the first to the second quarter. The 4-percent decline in the fats and oils group was the notable exception.

Operating Costs of Marketing Firms.- Average hourly earnings of food marketing employees rose more than 4 percent between May 1959 and May 1960. During the same period of time average hourly earnings of all manufacturing employees rose less than 3 percent. (See table inside front cover.) Prices of some items that marketing firms buy were lower in recent months than they were a year earlier. Other items, notably machinery and equipment, were higher. Construction costs also are higher this year than last. Total profits of firms engaged in processing farm foods were about the same in the first quarter of this year as in January-March 1959.

#### Retail Cost Up 1 Percent

The retail cost of the market basket was 1 percent higher in the quarter just ended than in the same quarter in 1959. <sup>3/</sup> It averaged \$1,054 (annual rate) in the April-June quarter, highest since the third quarter of 1958. Only the meat products and fats and oils groups declined from the second quarter last year to the same quarter this year. An 11-percent rise in poultry and eggs and substantial increases in dairy products and fruits and vegetables were responsible for the net increase in the retail cost of the total market basket.

Compared with the first quarter this year, when it was the lowest since the final quarter of 1957, the retail cost in the second quarter was up 2 percent. Dairy products and fats and oils each declined 1 percent; other product groups increased, with fruits and vegetables and meat products accounting for most of the rise.

#### Farmer's Share Unchanged

After increasing 2 cents in the first quarter this year, the farmer's share of the dollar consumers spent for domestic farm foods remained at 39 cents in the second quarter, the same as a year ago. <sup>4/</sup> The farmer's share for poultry and eggs was up sharply from last year. This increase was offset by small decreases for meat products, fats and oils, and miscellaneous products. During the 1950's the quarterly average farmer's share of the consumer's food dollar varied from 49 cents in the first quarter of 1951 to 37 cents in the final quarter in 1959.

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<sup>3/</sup> The retail cost of the market basket of farm foods is less than the retail cost of all foods bought per family. The market basket of farm foods does not include imported foods, fishery products and other foods of nonfarm origin, or costs of meals purchased in public eating places.

<sup>4/</sup> Estimates of the division of the retail cost between farmers and marketing agencies are based on concurrent prices at the farm and retail levels, except for processed fruits and vegetables and sugar. During a period of rising prices, the farmer's share calculated on this basis is somewhat larger than the share derived by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

### Farm Value of Pork Up Sharply from Last Quarter

The farm value of pork increased 17 percent from the first to the second quarter this year (table 21, page 42). At the same time, the retail cost of pork rose 7 percent and the farm-retail spread declined 3 percent. Practically all of the decrease in the spread was caused by a decline in the live-wholesale segment (table 3). The sharp upturn in the farm value reflected a decrease in the slaughter of hogs. From the second quarter last year to the second quarter this year the farm value of pork rose slightly, but the retail price dropped 4 percent. The farm-retail spread decreased 8 percent; both the live-wholesale and the wholesale-retail segments decreased.

In the second quarter of this year the farm value of beef was down 5 percent from a year earlier, the farm-retail spread was up 5 percent, and the retail cost was down 2 percent. The live-wholesale segments of the farm-retail spread increased by a larger percentage than the wholesale-retail segment (table 2). From the first to the second quarter this year the farm value scarcely changed, the farm-retail spread increased 3 percent, and the retail cost 1 percent.

### Poultry and Eggs Up from Year Ago

In the quarter just ended the farm value of eggs averaged 27 percent above the low levels in the same quarter last year and 10 percent above the first quarter this year. These increases in farm value were accompanied by smaller percentage increases in the retail price. The farm-retail spread was 2 percent wider than in the first quarter this year and the second quarter of 1959.

The farm value and retail price of frying chickens did not change significantly from the first to the second quarter this year. The farm value was up 11 percent from the second quarter last year. This year-to-year increase in the farm value was accompanied by a 3-percent increase in retail price and a 6-percent drop in the spread.

### Fresh Fruits Lead Increases in Fruits and Vegetables Group

The farm-retail spread for fruits and vegetables rose seasonally, about 6 percent, from the first to the second quarter this year. Apples and most other fresh fruits, potatoes, tomatoes, and frozen orange concentrate were largely responsible for the increase. These increases were tempered by decreases in the margins of several fresh vegetables.

The farm value of the group in the quarter just ended was 7 percent higher than in January-March. Again apples and most other fresh fruits made large gains, but some fresh vegetables such as onions and carrots also made substantial increases. Major decreases in the farm value of green beans, lettuce, and frozen orange juice concentrate partly offset increases for other items.



Table 2.--Beef (Choice grade): Live-wholesale and wholesale-retail spreads by quarters, 1959-60 1/

Quarter	Live-wholesale (per 100 pounds live weight)					Wholesale-retail (per 100 pounds carass weight)		
	Price of steers <u>2/</u>	Wholesale value			Spread	Wholesale price <u>4/</u>	Retail value <u>5/</u>	Spread
		Carcass <u>3/</u>	Byproducts	Total				
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1959								
Jan.-Mar. ....	27.96	28.04	2.41	30.45	2.49	47.53	66.40	18.87
Apr.-June .....	28.83	28.30	2.90	31.20	2.37	47.96	66.72	18.76
July-Sept. ....	27.62	27.32	2.82	30.14	2.52	46.31	66.08	19.77
Oct.-Dec. ....	26.06	26.32	2.29	28.61	2.55	44.61	65.68	21.07
Average .....	27.62	27.50	2.60	30.10	2.48	46.60	66.24	19.64
1960								
Jan.-Mar. ....	26.53	27.01	2.19	29.20	2.67	45.78	64.96	19.18
Apr.-June <u>7/</u> ...	26.86	27.16	2.33	29.49	2.63	46.03	65.52	19.49

1/ Quarterly data for 1949-55 are published in "Beef Marketing Margins and Costs," U.S. Dept. Agr. Misc. Pub. 710, Feb. 1956, tables 1 and 3.

2/ Weighted average of prices at 20 leading public stockyards.

3/ Wholesale carcass value is 59 percent of average wholesale price of 100 pounds of Choice grade carcass beef.

4/ Weighted average of prices of Choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Seattle.

5/ Calculated from average retail prices of beef cuts in urban areas, published by Bur. Labor Statistics. The retail value per 100 pounds carcass weight is 80 percent of average retail cost of 100 pounds of retail cuts, because about 20 pounds of a 100-pound carcass is fat, bone, and trim which is sold by retailers at nominal prices.

6/ Revised

7/ Preliminary.

Table 3.--Pork: Live-wholesale and wholesale-retail spreads, by quarters, 1959-60 1/

Quarter	Live-wholesale (per 100 pounds live weight)			Wholesale-retail (per 100 pounds major cuts)		
	Price of hogs <u>2/</u>	Wholesale value <u>3/</u>	Spread	Wholesale value <u>4/</u>	Retail value <u>5/</u>	Spread
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1959						
Jan.-Mar. ....	16.66	22.17	5.51	41.61	58.86	17.25
Apr.-June ....	16.85	21.96	5.11	41.71	58.01	16.30
July-Sept. ....	14.47	20.54	6.07	39.54	56.97	17.43
Oct.-Dec. ....	12.88	19.01	6.13	36.37	53.52	17.15
Average .....	15.22	20.92	5.70	39.81	56.84	17.03
1960						
Jan.-Mar. ....	14.27	19.68	5.41	38.02	52.05	14.03
Apr.-June <u>7/</u> ...	16.94	21.82	4.88	41.79	55.80	14.01

1/ Quarterly data for 1949-55 are published in "Pork Marketing Margins and Costs," U.S. Dept. Agr. Misc. Pub. 711, Apr. 1956, tables 1 and 2.

2/ Average price of 200-220 pound barrows and gilts, Chicago.

3/ Wholesale value at Chicago of 71 pounds of pork and lard obtained from 100 pounds of live hog.

4/ Wholesale value of 100 pounds of major pork cuts at Chicago computed from Livestock Market News and National Provisioner price quotations of individual cuts.

5/ Calculated from average retail prices of major pork cuts in urban areas, published by Bur. Labor Statistics.

6/ Revised.

7/ Preliminary.



A 6-percent increase in the retail cost of the fruits and vegetables group also was the result mainly of large increases for fresh fruits. Onions increased 12 percent and potatoes 17 percent.

The retail cost, farm value, and farm-retail spread were moderately higher in the second quarter this year than in the second quarter last year. Large decreases in the farm values and retail prices of onions and canned and frozen orange juice were more than offset by large increases for fresh fruits, cabbage, potatoes, and tomatoes. Increases in the farm-retail spreads of citrus fruits, potatoes, and tomatoes were largely responsible for the 2-percent increase in the marketing margin of the fruit and vegetable group.

THE FARM FOOD MARKETING BILL 1/

The bill for marketing farm-produced food products sold to civilian consumers totaled \$39.0 billion in 1959--5 percent more than in 1958 (table 4). 2/ This marketing bill has risen to a new high each year since 1938, except in 1950. Since 1950 it has risen at an average rate of 5.5 percent per year, and it was 62 percent higher in 1959 than in 1950. Most of the increase last year resulted from an increase in the volume of food products marketed; unit marketing charges were about 1 percent higher in 1959 than in the preceding year.

The total farm value of domestic farm food products was 5 percent lower in 1959 than in 1958. This decrease was the first since 1955. A drop in prices received by farmers from 1958 to 1959 more than offset an increase in volume. During the 1950's the farm value varied from \$17.6 billion in 1950 to \$20.7 billion in 1958.

Civilian expenditures for farm food products amounted to \$58.7 billion in 1959, 1 percent more than in 1958. Retail food store prices were lower in 1959 than in 1958, but this decline was more than offset by the increase in the volume of purchases. A rise in prices of restaurant meals and other food eaten away from home gave a further boost to the total civilian expenditures for food.

Marketing charges amounted to 66 percent of civilian expenditures for farm foods last year. This is the largest marketing share of civilian food expenditures since 1933. In 1950 the marketing share was 58 percent.

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1/ A more extensive discussion of the marketing bill and its components was published in the July 1959 issue of this Situation (MTS-134), pp. 10-21. Reprints of that article, "The Marketing Bill for Farm Food Products," (AMS-326) are available from the Marketing Information Division, Agricultural Marketing Service.

2/ This marketing bill is the difference between the total expenditures by civilian consumers for domestic farm food products and the farm value or payment that farmers received for the equivalent farm products. It is an estimate of the total charges for transporting, processing, wholesaling, and retailing farm foods. Food sold in the form of meals in restaurants and other eating places and that which is sold at less than retail prices is valued at the point of sale. These estimates do not include the value of food products not produced on farms in the United States, foods consumed on farms where produced, or foods not sold to civilian consumers in this country. Another estimate of marketing charges, the farm-retail marketing bill, is considered later in this article. The difference between the two estimates is discussed on page 17 of this issue and more fully in the November 1958 issue of this Situation (MTS-131). Estimates of the marketing bill and related statistics do not cover Alaska and Hawaii because of inadequate data.



Table 4.--The total marketing bill, farm value, and consumer expenditures for domestic farm food products bought by civilians, United States, 1929-59

Year	Total marketing bill 1/	Farm value	Civilian expendi- tures for farm foods	Year	Total marketing bill 1/	Farm value	Civilian expendi- tures for farm foods
	Billion dollars	Billion dollars	Billion dollars		Billion dollars	Billion dollars	Billion dollars
1929 .....	9.7	7.2	16.9	1945 .....	14.9	12.6	26.8
1930 .....	9.9	6.3	16.2	1946 .....	18.3	15.7	33.5
1931 .....	8.6	4.7	13.3	1947 .....	20.7	18.7	39.4
1932 .....	7.5	3.4	10.9	1948 .....	22.9	19.3	42.2
1933 .....	7.3	3.6	10.9	1949 .....	23.9	16.9	40.8
1934 .....	7.5	4.3	12.1	1947-49 av.:	22.5	18.3	40.8
1935 .....	7.3	5.0	12.6				
1936 .....	8.2	5.8	14.0	1950 .....	23.9	17.6	41.5
1937 .....	8.1	6.0	14.1	1951 .....	26.4	20.0	46.4
1938 .....	8.4	5.2	13.6	1952 .....	28.3	19.9	48.2
1939 .....	8.6	5.2	13.8	1953 .....	29.3	19.0	48.3
				1954 .....	30.4	18.4	48.8
1940 .....	9.1	5.6	14.7	1955 .....	32.2	18.3	50.5
1941 .....	9.9	7.1	17.0	1956 .....	34.0	18.7	52.7
1942 .....	11.7	9.3	21.0	1957 .....	35.6	19.5	55.1
1943 .....	12.6	11.4	23.8	1958 .....	37.0	20.7	57.7
1944 .....	13.3	11.6	24.4	1959 2/ ...	39.0	19.7	58.7

1/ Difference between civilian expenditures and farm value except that Federal processor taxes have been deducted for 1933-35 and allowances for Federal Government payments to processors have been added for 1943-46.

2/ Preliminary.

Estimates in this table do not cover Alaska and Hawaii because of inadequate data.

### The Components of the Marketing Bill

#### Labor

The direct cost of labor in marketing farm foods sold to civilian consumers in this country amounted to \$18.5 billion in 1959, up 4 percent from \$17.8 billion in 1958. (See cover chart and table 5.) Labor costs accounted for 47 percent of the total marketing bill, about the same as in other years since 1950. Average hourly earnings of workers engaged in marketing farm food products rose 3 percent last year, but labor costs per unit of product marketed remained the same. Since 1950, average hourly earnings have risen over 50 percent, while unit labor costs have gone up nearly 25 percent (table 6). Increased output per man-hour has offset part of the increase in hourly earnings.



Table 5.--Labor, transportation, corporate profits, and other costs for marketing farm food products, United States, 1939-59 1/

Year	Labor <u>2/</u>	Rail and truck transportation <u>3/</u>	Corporate profits <u>4/</u>		Other <u>5/</u>	Total marketing bill
			Before taxes	After income taxes		
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars
1939 .....	4.3	1.0	0.3	0.3	3.0	8.6
1940 .....	4.5	1.1	.4	.3	3.1	9.1
1941 .....	4.9	1.2	.6	.4	3.2	9.9
1942 .....	5.3	1.0	.8	.4	4.6	11.7
1943 .....	5.5	1.0	1.1	.5	5.0	12.6
1944 .....	6.0	1.1	1.1	.5	5.1	13.3
1945 .....	6.6	1.3	1.1	.5	5.9	14.9
1946 .....	8.3	1.6	1.7	1.1	6.7	18.3
1947 .....	9.7	2.0	1.5	1.0	7.5	20.7
1948 .....	10.8	2.2	1.3	.8	8.6	22.9
1949 .....	11.3	2.3	1.3	.7	9.0	23.9
1947-49 av. :	10.6	2.2	1.4	.8	8.3	22.5
1950 .....	11.9	2.6	1.6	.9	7.8	23.9
1951 .....	12.7	2.6	1.3	.6	9.8	26.4
1952 .....	13.5	3.0	1.4	.6	10.4	28.3
1953 .....	14.3	3.2	1.5	.7	10.3	29.3
1954 .....	15.0	3.4	1.5	.7	10.5	30.4
1955 .....	15.6	3.2	1.8	.9	11.6	32.2
1956 .....	16.4	3.5	1.8	.9	12.3	34.0
1957 .....	17.2	3.6	1.8	.8	13.0	35.6
1958 <u>6/</u> .....	17.8	4.0	2.0	1.0	13.2	37.0
1959 <u>6/</u> .....	18.5	4.0	2.2	1.0	14.3	39.0

1/ Relate only to domestic farm foods bought by civilian consumers and not to that sold to the Armed Forces or exported.

2/ Does not include the cost of labor employed in intercity for-hire transportation because payments made for transportation also are compared with the total marketing bill.

3/ Does not include local hauling; charges for intercity transportation by water and air are a part of the "other" or residual component of the marketing bill.

4/ Does not include profits of unincorporated firms or firms engaged in intercity transportation.

5/ Includes other costs such as fuel, electric power, containers, packaging materials, air and water transportation, interest on borrowed capital, taxes other than those on income, and noncorporate profits.

6/ Preliminary.

Table 6.--Average hourly earnings and labor costs, profits before taxes, and marketing charges per unit of product for marketing food products, United States, 1939-59 1/

(Index numbers 1947-49 = 100)

Year	Hourly earnings <u>2/</u>	Unit labor cost <u>3/</u>	Profit :(before taxes): per unit of product <u>4/</u>	Unit marketing charges <u>5/</u>
1939 .....	46	52	33	59
1940 .....	47	53	34	58
1941 .....	51	56	53	59
1942 .....	57	58	72	65
1943 .....	60	61	94	69
1944 .....	65	66	95	70
1945 .....	70	70	88	70
1946 .....	81	79	127	78
1947 .....	93	91	111	94
1948 .....	99	102	96	102
1949 .....	108	107	93	104
1947-49 average :	100	100	100	100
1950 .....	112	108	115	103
1951 .....	119	116	96	111
1952 .....	124	118	95	116
1953 .....	132	121	101	118
1954 .....	138	123	95	119
1955 .....	142	123	110	121
1956 .....	149	124	109	123
1957 .....	158	130	106	128
1958 .....	165	134	118	134
1959 <u>6/</u> .....	170	134	124	135

1/ Relates only to domestic farm-produced foods bought by civilian consumers in this country and not to that sold to the Armed Forces or exported.

2/ Hourly earnings estimated by dividing total labor cost by total man-hours for all workers. These data include proprietors and family workers not receiving stated remuneration and workers engaged in intercity rail and truck transportation.

3/ Unit labor cost is the quotient of the indexes of total labor cost and of volume of farm food products marketed to civilian consumers. The index of farm food products marketed was constructed by weighting the quantities sold by 1947-49 average retail prices.

4/ Profit per unit of product is the quotient of the index of total corporate profits from marketing farm foods produced and consumed in the United States and the index of the volume of farm food products marketed.

5/ Calculated from annual average spreads between retail cost of a constant market basket of farm food products and payments received by farmers for equivalent farm products; margin has been adjusted for subsidies to marketing firms. The farm-retail spreads are published in this Situation, table 1, p.

6/ Preliminary.



### Transportation Bill for Food 3/

The estimated intercity rail and truck charges for transporting food produced and consumed by civilians in the United States were about the same for 1959 as they were for 1958. For the truck segment of the bill, the number of intercity ton-miles traveled in 1959 was somewhat larger than in 1958, resulting in an increase in truck revenue over the 1958 figure. But the increase was offset by a slight decrease in revenue from food products hauled by railroads. The slight decrease could have been caused by heavier loading of fresh fruits, vegetables, and melons (excluding watermelons) in railroad cars. 4/ During the last 2 years railroads have given shippers on the west coast, and in Texas and the Southeast the opportunity to obtain lower per package freight charges on this type of shipment to the East and North, provided they load additional layers of containers in each car. The railroads also derive benefits from heavier loading. It enables them to use their facilities and their man-power more efficiently, thereby reducing their out-of-pocket costs per ton. Heavier loading should help maintain the railroads' share in the hauling of perishable commodities; because when properly used it can prove profitable to shippers and receivers.

Rail and truck charges amounted to 10 percent of the total marketing bill. ✓  
for 1959, compared with 11 percent in 1958.

### Corporate Profits

Profits that corporations derived from marketing farm foods (not including profits of transportation companies) accounted for about 6 percent of the marketing bill in 1959, about the same proportion as in the preceding year. The \$0.2 billion increase from 1958 to 1959 pushed profits to a new high. From 1950 to 1959 profits rose about 38 percent, compared with a 63-percent increase in the total marketing bill. More than half of the profits of food marketing corporations went for taxes on income in 1959. Profits per unit of product marketed also were higher in 1959 than in 1958 (table 6). Unit profits have fluctuated more from year to year than have hourly earnings and unit labor costs.

Profits of Leading Firms.- The average ratio of profits (after taxes) to sales for a group of 46 leading food processing corporations increased in 1959 for the second consecutive year (table 7). This is the first time in more than 25 years the ratio has risen 2 years in a row. The ratio of profits to sales for meat packers increased sharply from 0.5 percent in 1958 to 0.9 percent in 1959. Leading meat packers have not had higher rates since 1947. Between 1947 and 1959 average profit ratios of these firms varied from 0.3 to 0.8 percent of sales. Ratios of other food manufacturing groups were the same as, or lower than those of 1958. The profit-sales ratio of eight leading retail food chains was about the same in both years.

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3/ Prepared by Mildred R. DeWolfe, Transportation and Facilities Research Division, Agricultural Marketing Service.

4/ See "Effect of Heavier Loading of Rail Shipments on the Marketing of Fresh Fruits, Vegetables, and Melons," The Marketing and Transportation Situation (MTS-134), July 1959, pp. 33-39.



Table 7.--Net profits (less provision for taxes on income) as percentage of stockholders' equity and as percentage of sales, leading food and tobacco companies, 1935-59

	Food processing companies									
Year	8	7	11	5	10	miscel- laneous	51	5	8	5
	baking	grain mill	meat	canning	dairy	food	companies	wholesale	retail	tobacco
	companies	products	packers	companies	products	companies	combined	distribu- tors	food chains	companies
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Profits as percentage of stockholders' equity 2/										
Average :										
1935-39 :	8.1	9.7	3.6	5.6	7.9	9.8	7.2	---	8.4	13.9
1940 ... :	7.9	9.8	5.4	6.6	8.7	9.2	7.8	---	9.7	14.2
1941 ... :	7.8	9.5	8.6	10.5	11.1	10.8	9.7	---	9.4	12.3
1942 ... :	9.6	8.0	8.1	8.4	11.3	8.9	9.0	---	7.4	11.0
1943 ... :	9.5	10.2	7.9	8.6	11.5	9.2	9.3	---	7.8	10.4
1944 ... :	8.7	10.3	7.2	9.1	10.1	8.3	8.5	11.2	8.2	9.7
1945 ... :	10.1	10.9	5.2	10.2	10.0	8.1	8.2	12.7	8.2	9.2
1946 ... :	18.4	13.2	9.9	18.4	17.0	12.6	13.6	27.3	18.7	11.4
1947 ... :	15.8	15.7	12.6	13.4	13.2	14.6	13.9	18.8	17.8	12.6
1948 ... :	17.9	14.6	5.6	9.6	12.5	13.5	11.3	16.0	16.2	14.8
1949 ... :	16.8	13.8	3.7	5.8	14.5	10.5	10.0	12.5	15.7	15.2
1950 ... :	15.8	13.4	5.9	15.3	13.3	12.6	11.5	10.0	14.0	13.5
1951 ... :	11.9	11.0	5.0	6.8	10.3	9.0	8.5	9.4	10.1	9.9
1952 ... :	12.4	11.0	3.7	7.5	9.9	9.0	8.2	5.8	10.0	9.5
1953 ... :	12.7	10.7	6.6	6.6	11.1	9.3	9.2	7.6	11.4	10.1
1954 ... :	11.9	12.4	2.7	7.8	12.2	9.9	8.9	7.5	11.3	10.6
1955 ... :	12.0	12.4	6.5	10.1	12.0	10.4	10.2	6.7	11.2	12.0
1956 ... :	12.2	11.7	6.9	8.2	12.1	11.2	10.3	7.6	13.1	12.1
1957 ... :	12.5	12.8	3.9	5.9	11.8	11.4	9.6	7.6	14.2	12.8
1958 ... :	11.7	13.4	4.2	8.4	11.4	12.5	10.2	9.7	13.8	14.6
1959 3/ :	11.8	4/	7.4	4/	11.3	12.0	10.4	4/	12.9	14.8
	Food processing companies									
	7	4	11	4	10	miscel- laneous	46	5	8	5
	baking	grain mill	meat	canning	dairy	food	companies	wholesale	retail	tobacco
	companies	products	packers	companies	products	companies	combined	distribu- tors	food chains	companies
						1/				
Profits as percentage of sales										
Average :										
1935-39 :	6.9	3.8	0.9	3.1	3.1	8.6	3.0	---	1.5	9.1
1940 ... :	6.1	4.6	1.4	3.5	3.2	8.0	3.2	---	1.5	8.4
1941 ... :	5.2	3.5	1.7	3.9	3.4	7.8	3.2	---	1.2	6.5
1942 ... :	4.8	2.6	1.2	3.1	2.9	5.6	2.4	---	.9	5.1
1943 ... :	3.9	2.2	1.1	3.5	2.8	5.0	2.2	---	1.0	4.3
1944 ... :	3.2	2.3	1.0	3.3	2.4	5.0	2.0	0.9	1.0	4.0
1945 ... :	3.5	2.6	.9	3.8	2.3	4.0	2.0	1.0	1.0	3.8
1946 ... :	5.8	2.8	1.7	6.1	3.5	6.0	3.3	2.2	1.8	4.0
1947 ... :	4.5	2.9	1.4	5.0	2.6	5.6	2.6	1.8	1.4	4.3
1948 ... :	4.9	3.3	.6	3.7	2.5	5.5	2.2	1.8	1.3	5.0
1949 ... :	5.0	3.6	.5	2.4	3.3	4.8	2.1	1.5	1.4	5.4
1950 ... :	4.9	3.1	.8	5.3	3.2	5.3	2.5	1.2	1.3	5.1
1951 ... :	3.5	2.3	.6	2.5	2.2	3.7	1.7	1.1	.9	3.8
1952 ... :	3.6	2.5	.4	2.7	2.1	3.6	1.6	.7	.8	3.4
1953 ... :	3.5	2.5	.8	2.3	2.3	3.6	1.9	1.0	1.0	3.8
1954 ... :	3.5	2.9	.3	2.8	2.6	3.8	1.9	1.0	1.0	4.3
1955 ... :	3.4	3.1	.8	3.6	2.6	4.0	2.2	.9	1.0	4.9
1956 ... :	3.4	2.9	.8	2.9	2.6	4.0	2.2	1.0	1.1	5.0
1957 ... :	3.4	3.4	.5	2.2	2.6	4.1	2.1	.9	1.2	5.2
1958 ... :	3.4	3.8	.5	3.0	2.6	4.3	2.2	1.2	1.2	5.7
1959 3/ :	3.3	4/	.9	4/	2.6	4.3	2.4	4/	1.2	5.8

1/ Includes sugar and corn refining companies, processors of vegetable oils, and companies manufacturing a wide variety of packaged foods. 2/ Ratio of net profits to average of stockholders' equity at the beginning and end of the year. Stockholders' equity is excess of total balance sheet assets over liabilities.

3/ Preliminary. 4/ Not available.

Compiled from Moody's "Industrial Manual" and company annual reports.

Profits, after taxes, as a percentage of stockholders' equity of 51 leading food processing companies also averaged slightly higher in 1959 than in 1958. Baking companies and meat packing firms, however, were the only two groups that showed higher ratios. The ratio for meat packers was their highest since 1947. Food chains' profits as a percentage of stockholders' equity were lower in 1959 than those of the year before.

#### Other Costs and Noncorporate Profits

Other costs and noncorporate profits, the residual component of the marketing bill, increased 8 percent last year. Besides profits of unincorporated marketing firms, the residual component includes costs of fuel, electric power, containers, depreciation, transportation other than rail and truck, rents, interest on borrowed capital, taxes other than those on income, and many other costs. These other costs and noncorporate profits accounted for 37 percent of the total marketing bill in 1959, compared with 33 percent in 1950.

#### Farm-retail Marketing Bill

The farm-retail marketing bill increased about 5 percent in 1959, the same as the total marketing bill (table 8). The farm-retail marketing bill covers the same food products as the total marketing bill, but in deriving the farm-retail marketing bill these food products are valued in terms of retail food store prices. Since it does not include the extra cost of food served in eating places, the farm-retail marketing bill is smaller than the total marketing bill. The farm value is the same in both sets of data. In recent years both marketing bills have risen at about the same rate.

For each of the individual product groups, except poultry and eggs, the farm-retail marketing bill rose in 1959. Rises resulted from increased marketings and from higher unit marketing charges for most product groups.

The farm value of domestic farm-produced food products sold to civilian consumers declined \$1 billion last year. Smaller receipts from meat animals, poultry and eggs, and some grains were responsible for much of the decline in the total farm value. The fruits and vegetables group was the only one showing an increase in farm value in 1959.

Retail-store cost of these food products rose \$0.6 billion in 1959. Since 1950 it has risen 39 percent compared with 41 percent increase in civilian expenditures for these products (tables 4 and 8). Among the product groups, poultry and eggs declined 10 percent, while fruits and vegetables and meat products rose 6 percent and 2 percent, respectively. Dairy products moved up only slightly, and bakery and cereal products were unchanged.



Table 8.- Farm-retail marketing bill for domestic farm food products purchased by civilian consumers, farm value, and retail cost, all farm foods and five major commodity groups, United States, annual 1913-59 <sup>1/</sup>

Year	All farm foods <sup>2/</sup>			Meat products			Dairy products			Poultry and eggs			Bakery and cereal products			Fruits and vegetables		
	Mar- ket- ing bill	Farm value	Re- tail cost	Mar- ket- ing bill	Farm value	Re- tail cost	Mar- ket- ing bill	Farm value	Re- tail cost	Mar- ket- ing bill	Farm value	Re- tail cost	Mar- ket- ing bill	Farm value	Re- tail cost	Mar- ket- ing bill	Farm value	Re- tail cost
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
1913 .....	3.88	3.53	7.41	0.91	1.35	2.26	0.61	0.62	1.23	0.21	0.45	0.66	0.98	0.44	1.42	0.89	0.55	1.44
1914 .....	4.27	3.64	7.91	.91	1.35	2.26	.64	.64	1.28	.20	.47	.67	1.13	.49	1.62	1.11	.58	1.69
1915 .....	4.36	3.62	7.99	.95	1.21	2.16	.67	.66	1.33	.20	.48	.68	1.15	.59	1.74	1.05	.56	1.61
1916 .....	5.12	4.35	9.47	.99	1.50	2.49	.70	.74	1.44	.22	.53	.75	1.31	.68	1.99	1.46	.71	2.17
1917 .....	6.35	6.05	12.40	1.00	2.03	3.03	.74	.94	1.68	.26	.68	.94	1.63	1.15	2.78	2.13	.97	3.10
1918 .....	6.32	6.87	13.19	1.45	2.51	3.96	.79	1.09	1.88	.26	.83	1.19	1.40	1.05	2.45	1.68	1.04	2.72
1919 .....	7.67	7.55	15.22	1.64	2.50	4.14	1.04	1.34	2.38	.42	1.03	1.45	1.69	1.21	2.90	2.20	1.13	3.33
1920 .....	9.16	7.36	16.52	1.97	2.15	4.12	1.13	1.40	2.53	.48	1.10	1.58	1.99	1.17	3.16	2.91	1.30	4.21
1921 .....	7.52	5.05	12.57	2.05	1.40	3.45	1.19	1.15	2.34	.39	.77	1.16	1.80	.62	2.42	1.69	.95	2.64
1922 .....	7.69	5.19	12.88	1.93	1.56	3.49	1.17	1.14	2.31	.37	.75	1.12	1.77	.59	2.36	1.98	.99	2.97
1923 .....	8.38	5.62	14.00	2.19	1.58	3.77	1.26	1.39	2.65	.41	.83	1.24	1.84	.59	2.43	2.12	1.03	3.15
1924 .....	8.64	5.87	14.51	2.34	1.73	4.07	1.25	1.34	2.59	.45	.86	1.31	1.85	.67	2.52	2.25	1.06	3.31
1925 .....	8.96	6.77	15.73	2.18	2.10	4.28	1.36	1.47	2.83	.45	.96	1.41	1.94	.87	2.81	2.45	1.15	3.60
1926 .....	9.43	6.95	16.38	2.17	2.18	4.35	1.40	1.53	2.93	.46	1.03	1.49	2.07	.80	2.87	2.74	1.22	3.96
1927 .....	9.51	6.72	16.23	2.21	2.04	4.25	1.47	1.62	3.09	.44	.96	1.40	2.16	.74	2.90	2.61	1.14	3.75
1928 .....	9.33	6.94	16.27	2.17	2.11	4.28	1.50	1.69	3.19	.48	1.05	1.53	2.24	.74	2.98	2.34	1.13	3.47
1929 .....	9.86	7.22	17.08	2.22	2.23	4.45	1.57	1.76	3.32	.58	1.12	1.70	2.18	.68	2.86	2.68	1.21	3.89
1930 .....	9.82	6.33	16.15	2.31	1.94	4.25	1.56	1.57	3.13	.58	.93	1.51	2.22	.56	2.78	2.55	1.13	3.68
1931 .....	8.40	4.66	13.06	2.21	1.37	3.58	1.41	1.25	2.66	.49	.71	1.20	1.89	.35	2.24	1.98	.86	2.84
1932 .....	7.21	3.40	10.61	1.76	.91	2.67	1.24	.97	2.21	.34	.54	.88	1.65	.26	1.91	1.68	.61	2.29
1933 .....	7.30	3.56	10.93	1.68	.92	2.61	1.21	.96	2.17	.32	.48	.80	1.60	.34	2.00	1.86	.73	2.59
1934 .....	7.92	4.27	12.52	1.90	1.13	3.26	1.24	1.12	2.36	.40	.58	.98	1.81	.47	2.38	2.03	.80	2.83
1935 .....	7.58	5.02	12.94	1.70	1.49	3.39	1.29	1.29	2.58	.34	.75	1.09	1.75	.52	2.41	2.02	.79	2.81
1936 .....	8.51	5.78	14.29	2.00	1.79	3.79	1.39	1.42	2.81	.39	.77	1.16	1.93	.58	2.51	2.22	1.00	3.22
1937 .....	8.20	5.98	14.18	2.05	1.90	3.95	1.41	1.49	2.90	.43	.81	1.24	1.92	.61	2.53	1.81	.95	2.76
1938 .....	8.18	5.20	13.39	1.86	1.71	3.57	1.40	1.32	2.72	.39	.77	1.16	2.01	.41	2.42	1.78	.78	2.56
1939 .....	8.19	5.17	13.37	1.85	1.69	3.54	1.44	1.32	2.76	.38	.72	1.10	1.87	.39	2.26	1.93	.86	2.79
1940 .....	8.5	5.6	14.1	1.9	1.8	3.7	1.5	1.5	3.0	.4	.8	1.2	1.9	.4	2.3	2.0	.9	2.9
1941 .....	9.2	7.1	16.3	1.8	2.5	4.3	1.7	1.7	3.4	.4	1.0	1.4	2.0	.5	2.5	2.2	1.1	3.3
1942 .....	10.5	9.3	19.8	1.7	3.2	4.9	2.0	2.1	4.1	.6	1.4	2.0	2.2	.7	2.9	2.6	1.5	4.1
1943 .....	11.1	11.4	22.3	1.8	3.6	5.2	2.0	2.3	4.3	.7	2.0	2.7	2.4	.9	3.3	2.4	2.1	5.0
1944 .....	11.4	11.6	22.5	1.9	3.7	5.3	2.0	2.5	4.5	.7	1.8	2.5	2.3	.9	3.1	3.1	2.3	5.3
1945 .....	12.5	12.6	24.4	1.7	3.7	5.0	2.2	2.6	4.8	.8	2.3	3.1	2.6	1.0	3.5	4.0	2.5	6.4
1946 .....	15.6	15.7	30.8	2.4	5.2	7.3	2.8	3.5	6.3	1.0	2.4	3.4	3.0	1.3	4.2	4.7	2.6	7.2
1947 .....	18.0	18.7	36.7	3.4	7.3	10.7	3.1	3.8	6.9	1.1	2.7	3.8	3.3	1.5	4.8	5.3	2.6	7.9
1948 .....	19.9	19.3	39.2	3.8	7.5	11.3	3.5	4.1	7.6	1.2	3.0	4.2	3.9	1.5	5.4	5.4	2.4	7.8
1949 .....	20.8	16.9	37.7	4.0	6.5	10.5	3.4	3.5	6.9	1.2	2.8	4.0	4.3	1.2	5.5	5.6	2.3	7.9
1950 .....	20.9	17.6	38.5	4.1	7.2	11.3	3.4	3.6	7.0	1.3	2.6	3.9	4.3	1.3	5.6	5.5	2.2	7.7
1951 .....	22.8	20.0	42.8	4.2	8.0	12.2	3.9	4.1	8.0	1.5	3.2	4.7	4.7	1.4	6.1	6.1	2.5	8.6
1952 .....	24.5	19.9	44.4	4.9	7.6	12.5	4.1	4.3	8.4	1.5	3.1	4.6	4.9	1.4	6.3	6.5	2.8	9.3
1953 .....	25.5	19.0	44.5	5.4	7.1	12.5	4.3	3.9	8.2	1.5	3.3	4.8	5.0	1.4	6.4	6.7	2.5	9.2
1954 .....	26.5	18.4	44.9	5.4	7.2	12.6	4.5	3.8	8.3	1.6	2.7	4.3	5.1	1.4	6.5	6.9	2.5	9.4
1955 .....	28.0	18.3	46.3	6.2	6.7	12.9	4.8	4.0	8.8	1.5	2.9	4.4	5.2	1.3	6.5	7.4	2.6	10.0
1956 .....	29.6	18.7	48.3	6.5	6.7	13.2	5.0	4.2	9.2	1.6	2.9	4.5	5.4	1.3	6.7	7.8	2.8	10.6
1957 .....	30.9	19.5	50.4	6.6	7.6	14.2	5.3	4.3	9.6	1.7	2.8	4.5	5.6	1.3	6.9	7.9	2.7	10.6
1958 .....	32.1	20.7	52.8	6.6	8.6	15.2	5.6	4.3	9.9	1.9	3.0	4.9	5.9	1.3	7.2	8.0	2.7	10.7
1959 <sup>4/</sup> .....	33.7	19.7	53.4	7.5	8.0	15.5	5.7	4.3	10.0	1.8	2.6	4.4	6.0	1.2	7.2	8.5	2.8	11.3

<sup>1/</sup> Retail-cost estimates represent cost at retail food store prices of all domestic farm foods that were both sold by farmers and bought by civilian consumers in this country. Farm food products sold in the form of meals are included but are valued at what the food would have cost in retail stores. Farm value is adjusted to eliminate imputed value of nonfood by-products. The farm-retail marketing bill is the difference between the farm value and retail cost except for the years 1933-35 and 1943-46 in which the marketing bill for some groups is adjusted for processor taxes or Government payments to processors.

<sup>2/</sup> Includes vegetable-oil products, sugar, and other food products in addition to the five commodity groups given in this table.

<sup>3/</sup> The estimated farm values of milk, eggs, fruits, lard, and vegetable shortening used in bakery products were deducted from the farm values of other commodity groups and added to the farm value of the bakery and cereal products group.

<sup>4/</sup> Preliminary estimates.



## MARKETING SPREADS FOR TURKEYS IN SELECTED CITIES 1/

Farm-retail price spreads on turkeys in the last quarter of 1959 were the lowest reported for a comparable period in 4 years. 2/ Farm-retail price spreads in October-December 1959 in five major United States cities---Boston, Chicago, Los Angeles, New York, and St. Louis,---averaged 16.3 cents a pound on medium-size birds and 17.6 cents on large turkeys (table 9). 3/ These spreads were lower than comparable spreads in 1958 by 5.5 cents a pound on medium and 4.0 cents on large turkeys. 4/ Although price spreads at all marketing levels were generally lower in 1959 than in 1958, most of the decline in the gross farm-retail spread was due to a decrease in retail store spreads, which are influenced to a large extent by retailers' pricing policies.

### Elements of the Spread

The average retail store spread of 6.1 cents a pound on medium turkeys was 4.2 cents lower during October-December 1959 than a year earlier. Prices paid by retailers increased sharply during the latter part of this quarter, while retail selling prices changed comparatively little. Average prices to retailers in these five cities increased 12.8 cents a pound, from 39.0 cents in October, 1959 to 51.8 cents in December that year, while retail selling prices increased only 4.2 cents, from 48.8 in October to 53.0 cents in December.

Retailers generally took wider margins on medium than on large size turkeys. They paid less per pound for medium than for large turkeys during October-December 1959, but generally received higher prices per pound for the medium size birds. Some retail stores sold turkeys for the same price per pound regardless of size, but in most stores it was found that the larger the size class of the bird, the lower was the selling price per pound. The preference of homemakers for medium turkeys over large birds lessens the need for big reductions in price to attract purchasers.

Farm-to-retailer price spreads on medium turkeys averaged 1.3 cents a pound lower during the last quarter of 1959 than during similar periods in 1958 and 1957 (table 9). Most of this decline occurred in farm-to-receiver spreads. City receiver-to-retailer spreads (generally wholesalers' margins) have changed little in recent years.

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1/ Prepared by Leo R. Gray, Agricultural Economist, Marketing Economics Research Division, Agricultural Marketing Service.

2/ The farm-retail price spread is the difference between the midmonth retail selling price per pound and the farm value or payment the farmers receive for the equivalent quantity of live turkey.

3/ Turkey size ranges used in this report are: Medium--8 to 16 pounds; and large--more than 16 pounds.

4/ For a more detailed presentation of data for 1958 see: Gray, Leo R., "Marketing Spreads for Turkeys in Selected Cities." The Marketing and Transportation Situation, April 1959, pp. 26-31.

Table 9.--Turkeys, medium and large: 1/ Price spreads and prices per pound, ready-to-cook basis, at various market levels, selected cities, averages October-December 1956-59

Size of turkey, year, and city	Price spreads								Prices				
	Farm-:Retail-:		Farm-:Receiver-:		Farm-:Retailer:		Retailer:receiver:		To		To city		Farm :receivers: value
	store		store		store		store		retailers:		receivers:		
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	
Medium turkeys:													
5-city average <u>4/</u>													
1959	16.3	6.1	10.2			3.2	7.0	50.7	44.6	41.4		34.4	
1958	21.8	10.3	11.5			3.5	8.0	52.6	42.3	38.8		30.8	
1957	18.3	6.8	11.5			3.3	8.2	49.7	42.9	39.6		31.4	
1956	22.0	10.1	11.9			2.7	9.2	55.8	45.7	43.0		33.8	
Individual cities,													
1959													
Boston	15.9	6.2	9.7			1.9	7.8	49.9	43.7	41.8		34.0	
Chicago	15.3	3.2	12.1			4.6	7.5	48.8	45.6	41.0		33.5	
Los Angeles	15.1	7.0	8.1			2.6	5.5	50.8	43.8	41.2		35.7	
New York	18.6	8.2	10.4			3.2	7.2	53.4	45.2	42.0		34.8	
St. Louis	16.6	6.1	10.5			3.7	6.8	50.6	44.5	40.8		34.0	
Atlanta	17.2	6.1	11.1			3.6	7.5	51.8	45.7	42.1		34.6	
Baltimore	17.5	5.3	12.2			2.9	9.3	51.4	46.1	43.2		33.9	
Cleveland	19.3	---	---			---	---	52.8	---	---		33.5	
San Francisco	16.9	6.1	10.8			5.3	5.5	52.6	46.5	41.2		35.7	
Washington, D.C.	17.9	7.2	10.7			2.8	7.9	52.6	45.4	42.6		34.7	
Large turkeys:													
5-city average <u>4/</u>													
1959	17.6	3.9	13.7			---	---	<u>5/</u> 49.2	45.3	---		31.6	
1958	21.6	9.1	12.5			2.6	9.9	47.3	<u>5/</u> 38.2	35.6		25.7	
1957	20.8	7.2	13.6			2.9	10.7	45.3	38.1	35.2		24.5	
1956	21.8	8.5	13.3			2.3	11.0	52.9	44.4	42.1		31.1	

Continued -



Table 9.--Turkeys, medium and large: 1/ Price spreads and prices per pound, ready-to-cook basis, at various market levels, selected cities, averages October-December 1956-59 --Continued

Size of turkey, year, and city	Price spreads			Prices					
	Farm- retail	: Retail- : store	: Farm- : retailer	: Receiver- : retailer	: Farm- : receiver	: Retail : receiver	: To : retailers	: To city : receivers	: Farm : value
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Individual cities, 1959									
Boston	5/18.3	5/3.7	14.6	2.2	12.4	5/49.7	46.0	43.8	31.4
Chicago	16.8	2.8	14.0	4.3	9.7	48.5	45.7	41.4	31.7
Los Angeles	16.2	3.0	13.2	---	---	48.2	45.2	---	32.0
New York	6/	6/	14.0	3.0	11.0	6/	45.6	42.6	31.6
St. Louis	15.0	2.2	12.8	3.8	9.0	46.4	44.2	40.4	31.4
Atlanta	6/	6/	14.8	3.1	11.7	6/	46.5	43.4	31.7
Baltimore	18.8	0.8	18.0	7.4	10.6	50.2	49.4	42.0	31.4
Cleveland	6/	---	---	---	---	6/	---	---	31.3
San Francisco	5/18.8	5/2.0	16.8	4.8	12.0	5/50.8	48.8	44.0	32.0
Washington, D.C.	5/21.3	5/6.8	14.5	4.1	10.4	5/52.8	46.0	41.9	31.5

1/ Turkey size weight ranges are: Medium -- 8 to 16 pounds, and large -- more than 16 pounds.

2/ City receiver prices for Chicago, Los Angeles, and New York represent wholesale selling prices but for the other 7 cities represent f. o. b. delivered city prices.

3/ Farm value is the payment received by producers for the quantity of live turkey equivalent to 1 pound of ready-to-cook turkey. These values were computed from prices reported in major commercial turkey producing areas such as San Joaquin Valley, Shenandoah Valley, and the Midwest supplying the designated cities.

4/ 5-city average includes Boston, Chicago, Los Angeles, New York, and St. Louis.

5/ Estimated from data for less than 3 months.

6/ Insufficient data.

Compiled from retail prices collected by the Bur. of Labor Statistics and from prices to retailers, city receiver prices, and prices received by farmers collected by Federal and State market news services.

A more detailed analysis of farm-to-receiver spreads for medium turkeys produced in the North Central States and sold at wholesale levels in Chicago during the fourth quarters of 1958 and 1959 shows:

Spread:	1958	1959
	<u>Cents per pound</u>	<u>Cents per pound</u>
Farm-to-Chicago receiver	8.7	7.1
Farm-to-shipping point	7.1	6.0
Shipping point-to-Chicago receiver	1.6	1.1

It appears that most of the decline in farm-to-receiver spreads on these turkeys may have been absorbed by processors, who perform most of the marketing functions covered by the spread between the farm value and shipping point price. Shipping point-to-receiver spreads are largely made up of the transportation cost plus the distributor margin.

#### Increase in Prices

Prices for medium turkeys increased substantially from October through December 1959, in contrast with the slight decline in prices during these months in other recent years. This sharp increase in prices in 1959 took place in spite of the large total supply of processed turkeys, as reported in the weekly Commercial Poultry Slaughter Reports and the Monthly Cold Storage Reports of the U. S. Department of Agriculture. The annual slaughter of 1,032,055,000 pounds of turkeys in commercial plants in 1959 was 5.6 percent greater than in 1958. End-of-month cold storage holdings of turkeys in the fourth quarter of 1959 ranged from 220.4 million pounds for October to 149.2 million for December. These cold storage holdings were less than for corresponding dates in 1958. Civilian per capita consumption of turkeys in 1959 was about 6.0 pounds, an increase of 0.3 pound from a year earlier. Thus, the total supply of turkeys in marketing channels in 1959 seemed to be adequate, but the volume readily available for sale during the latter part of the fourth quarter appeared to be somewhat short. In view of the indicated supply situation, some large buyers, including some chainstores, may have refrained from purchasing all of their turkey requirements earlier in the year, and speculated on an intraseasonal stability or decline in prices. However, the demand for turkeys toward the end of the year was such that prices rose sharply.

#### Lower Newspaper Advertised Prices

Chainstores and independent supermarkets that advertised turkeys in newspapers in the 5 cities around the time of the Bureau of Labor Statistics pricing dates had average prices of 41 cents per pound for medium turkeys in November, and about 47 cents in December 1959. These prices were about 9 and 6 cents



a pound lower than prices supplied by the Bureau of Labor Statistics for these midmonth periods. <sup>5/</sup> Some stores lowered prices of turkeys 2 to 4 cents a pound for Christmas week.

Turkey prices advertised by large chainstore organizations in various cities were quite similar. The intercity uniformity of prices may be assumed to be a direct result of pricing policies.

Comparison of Price Spreads for Turkeys and Chickens

Farm-retail price spreads on medium turkeys were 2.2 cents a pound less than comparable spreads for frying chickens during October-December 1959, but in 1958 these spreads were 0.9 cent larger for turkeys (table 10). From 1958 to 1959, turkey margins declined at all market levels. Price spreads on frying chickens, with the exception of receiver-to-retailer margins, also declined during this same period.

Table 10.--Price Spreads per pound (ready-to-cook basis) for medium size turkeys and frying chickens, averages for five large cities, October-December, 1958-1959

Spread	Medium turkeys		Frying Chickens	
	1958	1959	1958	1959
	Cents	Cents	Cents	Cents
Farm-retail .....	21.8	16.3	20.9	18.5
Retail store .....	10.3	6.1	12.1	9.6
Farm-to-retailer .....	11.5	10.2	8.8	8.9
Receiver-to-retailer:	3.5	3.2	2.5	2.9
Farm-to-receiver ...:	8.0	7.0	6.3	6.0

The spread between the farm value and price to retailers in both years was wider for turkeys than for chickens. The spread for turkeys was wider than that for chickens probably because of (1) the greater seasonality in turkey processing, and (2) concentration of commercial production in fewer areas, and more long-distance hauling of turkeys from major commercial producing areas, such as from California to the east coast.

<sup>5/</sup> Retailers who feature turkeys or other commodities in newspaper advertisements usually tend to sell these items at lower prices than those prevailing in most other stores. These advertised prices were simple averages of prices by a not necessarily representative sample of chain stores and independent supermarkets in each city, whereas, the Bureau of Labor Statistics prices were weighted averages of prices of chain stores and independent retailers included in their stratified random sample of stores in each city.

In contrast, retail store spreads were lower for turkeys than for chickens in both years. Lower spreads for turkeys during this period in most cities were partially due to efforts on the part of retailers, especially supermarkets, to market turkeys at prices designed to attract customers and enhance total sales. In promoting the sale of turkeys retailers received some assistance from wholesalers and special interest groups affiliated with the turkey industry. This promotional assistance came in various forms, including merchandising counsel, posters and signs, flyers, and newspaper advertisements. Frying chickens were widely featured as special low margins sales items in some cities throughout 1958 and 1959. But during October-December they were perhaps not as widely featured as special sales items as were turkeys.

Medium turkey prices at various market levels in the last quarter of 1959 were at least 10 cents a pound higher than prices for frying chickens; but turkey prices are usually expected to be higher than those for frying chickens. This difference is approximately in line with relative costs of production. Retail prices for frying chickens, like those for medium size turkeys in the five cities studied were lower in 1959 than in 1958. Retail prices for frying chickens averaged 40.1 cents a pound in 1959, 2.2 cents less than in 1958. At other marketing levels, however, prices for chickens were about the same in both years, whereas prices for turkeys were higher in 1959 (table 9).



## WAGES OF FOOD SERVICE EMPLOYEES 1/

Away-from-home eating places represent an important but little explored channel of marketing. In 1958, these eating places accounted for about 16 percent of total food expenditures. 2/ About 230,000 eating places were in operation in the U.S. in 1958 and had sales of about \$11 billion. 3/ Approximately three-fourths of these establishments hired employees and these establishments in 1958 reported sales of \$10 billion. About 1.3 million persons were employed by these establishments and payroll costs amounted to \$48 million.

Between 1953 and 1959 prices of foods eaten away from home rose 15 percent compared with a rise of 3 percent in prices of food eaten at home, according to the Bureau of Labor Statistics indexes. 4/ During 1959, prices of food away from home continued to rise, while prices of food at home declined.

Labor costs make up about a fourth of value of sales of eating establishments; 5/ nevertheless wage rates in food service establishments generally are low in comparison with other wage rates. This report describes the rates paid to 10 different kinds of workers employed in away-from-home eating establishments, showing the difference in rates among areas and among jobs commonly making up the food service industry.

### Nature of Data

In an effort to establish prevailing wage rates for employees in Veterans' Administration Hospitals throughout the country, the Veterans' Administration periodically surveys establishments providing food services to determine the wages paid. Establishments surveyed include hotels, restaurants, hospitals, schools, and manufacturing firms, retail establishments providing food services, bakeries, and grocery stores. Only establishments providing services generally comparable in quality to that expected by Veterans' Hospitals are included in the survey.

Only jobs matching the 10 classifications shown in table 11 are included in the study. 6/ These data are hourly rates adjusted to compensate for certain specific fringe benefits such as privileges relating to payment for food and bonuses. Averages for specified jobs are weighted by number of employees. Data are available for 1959 for 95 cities, including about 47,000

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1/ Prepared by Imogene Bright, Agricultural Economist, Marketing Economics Research Division, Agricultural Marketing Service.

2/ Census of Retail Trade defines eating places as establishments selling prepared foods and drinks for consumption on their own premises. Establishments primarily engaged in selling drinks such as beer, ale, wine, or other alcoholic beverages for consumption on their own premises are classified as "drinking places." These figures do not include establishments that serve meals but are primarily engaged in other activities; also not included are hospitals, schools, and similar institutions. Sales of eating places are those published in the 1958 Census of Business; annual expenditures for food are those estimated by the U.S. Department of Commerce.

3/ These totals exclude Alaska and Hawaii.

4/ Separate index for food eaten away-from-home available only since 1953.

5/ Census of Business, "Retail Trade" (Advance United States Summary), 1958.

6/ See appendix for job descriptions.

employees from 1,800 firms. Data obtained from this survey can be applied only to jobs in the larger eating places; small restaurants would generally have a different job structure and division of labor from those presented here.

### Job Structure

Dishwashers were the lowest paid of the 10 food service job classifications surveyed. In cities for which data were available wages paid in this occupation in 1959 averaged \$1.08. The highest paid job was meatcutter, averaging \$2.19 in 1959 (table 11). The baker was the second highest paid worker, followed by cook, junior meatcutter, baker helper, junior cook, cook helper, and food service workers, class II and I. This same ordering of jobs appeared in each area.

The differential between average hourly wage rates of skilled and unskilled jobs, best represented by the meatcutter and dishwasher, amounted to \$1.11 for all cities, \$1.13 in the northern cities, \$1.06 in the southern cities, and \$1.18 in the western cities. 7/

### Regional Differentials

Southern cities as a group had the lowest average hourly rates for all jobs; western cities, the highest. 8/ For all food service jobs, the differential between averages for the South and the West--the lowest and the highest regional averages--was 39 cents in 1959. Regional differentials for specific jobs ranged from 33 to 52 cents. 7/ Jobs that required more skill had somewhat larger differentials between areas than did unskilled jobs.

Table 11.--Average hourly rates for key food service jobs, in selected cities, 1959

Jobs	All cities	Northern cities	Southern cities	Western cities
	Dollars	Dollars	Dollars	Dollars
Meatcutter .....	2.19	2.30	1.92	2.41
Baker .....	1.94	1.98	1.72	2.24
Cook .....	1.81	1.90	1.61	1.94
Junior meatcutter .....	1.78	1.86	1.58	1.95
Baker helper .....	1.56	1.65	1.35	1.76
Junior cook .....	1.53	1.61	1.31	1.69
Cook helper .....	1.29	1.36	1.11	1.47
Food service worker II ....	1.29	1.41	1.05	1.41
Food service worker I ....	1.15	1.26	.96	1.27
Dishwasher .....	1.08	1.17	.86	1.23

7/ Analysis of variance indicated that differences in wages paid for different jobs and in hourly wages paid in the various regions were statistically significant at the 5 percent level.

8/ "Differentials in Workers' Earnings in Selected Segments of Food Marketing," AMS, September 1959, deals with regional differences for food industries.



Appendix: Job Descriptions

1. Cook helper: Performs the simpler cooking tasks, such as preparing raw vegetables for cooking and placing in kettles or steamers, making fruit juices, boiling eggs, making toast and coffee, preparing soup stocks, cooking cereals, etc. As required, washes utensils, cleans refrigerators, stoves, and other equipment.
2. Junior cook: Independently performs moderately difficult tasks in preparing small quantities of quickly prepared food such as steaks, chops, cutlets, hamburger, eggs, salads and other similar items.
3. Cook: Prepares in large quantities, by various methods of cooking, meat, poultry, fish, vegetables, etc. Seasons and cooks all cuts of various meats, fish, and poultry. Boils, steams, or fries vegetables. Makes gravies, soups, sauces, roasts, meat pies, fricassees, casseroles, and stews.
4. Baker helper: Performs the simplest baking tasks such as assembling materials and weighing, measuring, and mixing ingredients for bread, rolls, cakes, cookies, and similar products. Also, may ice plain cakes, fill pie shells, etc.
5. Baker: Applies full knowledge of baking trade and is responsible for producing standard baked goods such as bread, rolls, cakes, cookies, biscuits, muffins, various types of puddings, and ice cream or sherbets.
6. Junior meatcutter: Performs moderately difficult tasks in a meat shop and assists an experienced meatcutter in receiving, inspecting, storing, cutting, and weighing meats, fish, and fowl. Receives additional on-the-job training and gains a broader knowledge of the proper methods of handling and storing meats and greater skill in the use of cutlery and other equipment of trade. Keeps shop and equipment clean and in a sanitary condition.
7. Meatcutter: Utilizing standardized meat-cutting methods, breaks down meat carcasses and wholesale cuts; bones and cuts meat into roasts, steaks, chops, etc. Cleans and cuts fish into fillets and steaks. Draws, dresses, and cuts poultry. Must have a knowledge of methods of handling and storing meats, fish, or fowl.
8. Dishwasher: Manually or mechanically washes and rinses dishes, glasses, and silverware; maintains proper temperature for sterilization, and adds soap as needed; performs other duties as assigned.
9. Food service worker I: Washes, peels, chops and dices food; makes toast; cuts butter; slices cakes and pies; transports food or food carts; scrapes, washes, and sorts dishes, glassware or silverware; sweeps and mops floors; scours pots, pans, or other cooking utensils and equipment; etc.
10. Food service worker II: Cuts fruits and vegetables; mixes simple salads and desserts; cooks cereals; dredges meats, poultry, and fish; operates electric mixers, grinders, and slicers; scales, skins and cuts fish; makes coffee or tea; and serves food cafeteria or family style.

## MULTIESTABLISHMENT FOOD DISTRIBUTION ORGANIZATIONS 1/

### Location, Services, and Consequences

Multiestablishment organizations 2/ have captured an increasing share of total retail food store sales during recent decades. 3/ Yet comparable detail concerning the geographic location of multiestablishments, the character of their growth, and the services provided until the recent past has been lacking. Fortunately, the information is given in a report published recently by the Federal Trade Commission, Economic Inquiry Into Food Marketing. 4/ This report is based on an industry survey of all chain stores, voluntary group wholesalers, and retailer owned cooperatives. 5/ The total sales of the respondents accounted for approximately 90 percent of the total value of sales of all grocery stores in 1958.

Location and Growth.--Food distribution organizations with 11 or more establishments in 1958 had stores in 2,113 (69 percent) of the 3,072 counties in the continental United States except Alaska. Despite such broad coverage, these organizations have concentrated most of their establishments in metropolitan areas. While 58 percent of their establishments were located in metropolitan areas in 1954, in 1958 61 percent were maintained in such dense population areas (table 12). The greatest increase in establishments in metropolitan areas (4 percent) from 1954 to 1958 occurred in the South.

In contrast, unpublished FTC comparisons show that in 1958, retailer owned cooperatives and voluntary wholesaler groups were more extensively located in nonmetropolitan areas. The possibilities for expansion of these groups appear

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1/ Prepared by Paul E. Nelson, Head, Market Structure and Practices Section, Marketing Economics Research Division, Agricultural Marketing Service.

2/ In this report, any firm with two or more establishments is classified as a multiestablishment company. Typically, such a firm is a corporation, but this is not a prerequisite characteristic. Thus, chain store corporations, voluntary wholesalers and retailer owned cooperatives are considered multiestablishment food distribution companies.

3/ See comparisons in Censuses of Manufactures and Business since 1929, and various trade reports.

4/ Major segments of this Federal Trade Commission report which are omitted in this article include: A summary of food consumption and food and nonfood expenditures data, census data for 1948-54 and some earlier years, trade information relating to numbers of items studied, and sales, profits, acquisitions, and corporate relationships of 33 large food chains.

5/ "Sponsor" or "voluntary group wholesalers" are wholesalers who cooperate with independently owned retail stores to provide these wholesale services in return for an advance commitment by the retailers to purchase specified quantities of goods. Retailer owned cooperatives are wholesale grocery establishments owned and operated by groups of independent food retailers buying collectively.



Table 12.--Retail food stores belonging to firms having 11 or more establishments: Percentage distribution metropolitan and other counties, 1954 and 1958

Location	Northeast		North Central		South		West		United States	
	1954	1958	1954	1958	1954	1958	1954	1958	1954	1958
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Metropolitan counties <sup>1/</sup> .....	59.2	60.7	56.6	60.4	52.1	56.1	68.0	70.1	57.9	60.8
Other counties ....	40.8	39.3	43.4	39.6	47.9	43.9	32.0	29.9	42.1	39.2
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> Comprising Census Standard Metropolitan areas; i.e., "Except in New England, a standard metropolitan area is a county or a group of contiguous counties which contains at least one central city of 50,000 inhabitants or more. In addition to the county or counties containing such a city or cities, contiguous counties are included in a standard metropolitan area if according to certain criteria they are eventually metropolitan in character, and sufficiently integrated with the central city."

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most promising where population growth is occurring, including new as well as expanding metropolitan areas. <sup>6/</sup>

The Character of Growth.--Stores grow by: (1) Increasing their sales per store, (2) opening additional stores, and (3) acquiring stores owned and operated by other businesses. For multiestablishment organizations, their growth was predominantly in terms of new stores. Of the increase in total sales (56 percent for 154 companies in operation 1953 through 1958) between 1953 and 1958, about 61 percent is attributable to establishments constructed since 1953, 20.0 percent to increases in sales of stores operated by the companies in both 1953 and 1958, and 19 percent to stores in operation in 1953 and acquired by the organizations either by purchase or merger between 1953 and 1958 (table 13). These percentages are the averages for the total 154 companies. The variation by the size of organization is shown (table 13) and is greatest for companies with 26-50 and 51-100 establishments per company. The 26-50 group accounted for about 9 percent of its total growth by acquisitions, the 51-100 group 30.4 percent.

<sup>6/</sup> The FTC studied 15 standard metropolitan areas out of the 189 in the Continental United States except Alaska. These were not chosen as a representative sample and results found in this study cannot be used to devise estimates for the total population of standard metropolitan areas. Within these 15 areas the market share of total food store sales according to voluntary wholesale and retailer owned cooperatives increased from 12.0 percent in 1948 to 31.0 percent in 1958. If this relationship exists for other standard metropolitan areas, these multiestablishment organizations will rely more and more upon dense areas in population for an increasing proportion of their sales.

Table 13.--Sources of growth in sales of 154 food chains and number of chains, by number of stores in chain, 1953-58

Number of stores in chain, December 31, 1958	Chainstore companies	Source of increase in sales				Total
		Stores in operation in 1953	New stores opened since 1953	Stores acquired since 1953		
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	
501 and over ...	6	29.9	57.0	13.1	100.0	
101 - 500 .....	13	10.8	60.3	28.9	100.0	
51 - 100 .....	18	9.6	60.0	30.4	100.0	
26 - 50 .....	46	15.7	75.6	8.7	100.0	
11 - 25 .....	71	21.1	53.3	25.6	100.0	
Total and averages	154	20.0	60.6	19.4	100.0	

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The economic growth of wholesaler-sponsored voluntaries and retailer-owned cooperative wholesalers, because of their inherent nature, is limited primarily to the affiliation of new members and construction or acquisition of assembly and processing facilities. The number of wholesale establishments of voluntary group wholesalers declined 15 percent between 1954 and 1958, while their total sales increased by approximately 39 percent. <sup>7/</sup> Between 1948 and 1958, retailer-owned cooperative wholesalers increased their membership by 28 percent, and their total sales by 68 percent.

Growth Factors.--Although many factors encourage economic growth, some particularly stimulate the development of the food distribution industry. These include: (1) Intensification of population density per retail establishment; (2) rise in disposable income; (3) availability of a depth and variety of items to sell; and (4) attractiveness of this industry for internally and externally financed investments. Each of these items promoted growth in many grocery establishments, but establishments organized upon some variety of multiestablishment basis appear to have been able to utilize them to a greater advantage. Thus, multiestablishment retail food firms increased their sales by 62 percent between 1948 and 1954, while sales of their single-establishment competitors grew by 22 percent. Between 1953 and 1958, these multiestablishment companies increased their sales by 56 percent. Comparable figures for single establishment companies are not yet available for 1958.

<sup>7/</sup> Thomas' Register, July 1959, reports 488 wholesaler grocery establishments for the 330 companies cited by the Federal Trade Commission. These 488 wholesale establishments correspond to the Census of Business classification for which 574 establishments are listed for the year 1954.



The rise in population per store from 418 in 1948 to 714 in 1958 demonstrates the intensification of consumers per market outlet. Since the growth of population has been concentrated in "urban" and metropolitan areas, this has stimulated multiestablishment growth, as data in table 12 indicate. Disposable income also has increased more rapidly in "urban" and metropolitan areas. Concentration of purchasing power in these areas <sup>8/</sup> has emphasized the consumer demand for quantities and varieties of items, including nonfoods, which are most effectively handled by multiestablishment, high volume outlets. The growing practice of one-stop shopping also has emphasized patronage of this type of outlet.

Thus, stores have increased the number of items they stock to the point where 65 percent of the establishments with sales of \$1 million or more per year carry 4,000 or more items, and 40 percent stock 5,000 or more. <sup>9/</sup> In addition, whereas in 1950, 89 percent of these establishments stocked drug items, by 1957 98 percent did. Other department comparisons include: Magazines, 38 percent in 1959, 75 percent by 1957; stationery, 34 percent in 1950, 92 percent by 1957; toys, 14 percent in 1950, 75 percent by 1957; children's books, 0 percent 1950, 76 percent 1957; and appliances, 0 percent 1950, 29 percent by 1957. <sup>10/</sup>

In contrast to single-store independents, multiestablishment organizations, <sup>11/</sup> particularly those with geographic spread, gain most from their (1) capacity to cope with uncertainty; (2) greater flexibility in inventory management; (3) more extensive and precise knowledge of marketing conditions; and (4) more extensive and quicker availability of lines of credit.

Thus, such organizations are better able to withstand such economic disasters as crop failures in nonmetropolitan areas or prolonged strikes within industrialized markets. They can also introduce new items in a store or in an area, one at a time, thus limiting the risk of nonacceptance to a small portion of their total marketing activity.

Closely associated is their capacity to manage inventory with greater flexibility. They may stock a particular item which would form a relatively small proportion of their total inventory, whereas the same sized purchase by a single establishment company might create a serious imbalance in its total inventory position. Their capacity to introduce new items into their product mix enables them to take advantage of their more extensive and precise knowledge of market

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<sup>8/</sup> "Two-thirds of the population increase of the United States between 1950 and 1959 was located in the 168 standard metropolitan areas of 1950.....Much of the increase in rural-nonfarm population was in newly developed areas which will be classified as 'urban' in the Population Census of 1960." Current Population Reports, P-20, No. 98, Jan. 25, 1960, pp. 1, 2. If the average per capita disposable income is multiplied by the population in census metropolitan and urban areas the skewed distribution of income concentrated in these areas is seen in a crude way.

<sup>9/</sup> Supermarket Institute, The Supermarket Speaks: 1958, p. 19.

<sup>10/</sup> Supermarket Merchandising, March issue, 1951; April issue, 1958.

<sup>11/</sup> It should be reemphasized that this concept includes voluntary and cooperative wholesalers as well as companies with 11 or more establishments per company.

conditions. They may ship items that are moving slowly in one area to others in which normal or above-normal sales prevail. For these reasons, multiestablishment organizations also have quicker access to credit and more extensive credit. Access to extensive credit enables them to stock fast-moving items more quickly and extensively than their competitors are able to do, because they lack these advantages. Such lines of credit also enable them to purchase in quantities that merit quantity discounts. These discounts do not give them an advantage over the companies of comparable size, but they do serve to provide an advantageous position over smaller, single establishments concerns.

Service Functions.--Effective advertising, inventory control, floor displays, and store engineering are prerequisite for profitable operation. General line wholesalers historically have furnished these services for most single-establishment retail groceries. Today, multiestablishment organizations and specialty wholesale groups appear to be providing an increasing number of these services to a growing number of retail food firms. Between 1948 and 1958, general line wholesale firms which were neither voluntary sponsors nor firms owned by a retailer cooperative wholesale group, experienced a decline in sales revenue of about 13 percent. Between 1948 and 1954, single establishment retail groceries increased their total sales revenue by 22 percent, <sup>12/</sup> while maintaining their total share of grocery store establishments at about 91 percent. Since the proportion of single establishment companies purchasing from general line wholesalers remained constant, and their dollar sales increased, the sales of general line wholesalers should have increased, unless their purchasers sought different suppliers. The drop in sales of general line wholesales by approximately 13 percent may be associated with the growth in sales of voluntary wholesalers, retailer-owned cooperative groups, and specialty wholesalers.

Table 14 shows the percentages of voluntary sponsor wholesalers that offer specific services to their members, and the percentages of member stores that obtain these services from their sponsors.

Some 40 percent or more of the retailer owned cooperative wholesalers offered similar services to their members. Use of these services by members was comparable to their use by the members of the sponsor-wholesalers mentioned earlier.

Statistics for services provided by chainstores were not published, but it is a reasonable assumption that they supply comparable services to most of their establishments.

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<sup>12/</sup> However, their share of total food store sales declined from 58 to 51 percent.



Table 14.--Specified services provided by sponsor wholesalers and their use by member stores 1/

Type of service	Percentage of sponsors providing		Percentage of members using
	1948 <u>2/</u>	1958 <u>3/</u>	<u>4/</u>
	Percent	Percent	Percent
Purchasing dry groceries .....	93.2	91.2	89.8
Advertising .....	88.8	90.6	79.0
Warehousing .....	72.2	64.8	62.0
Purchasing nonfoods .....	52.2	60.6	57.9
Managerial advice .....	57.1	57.6	50.7
Store engineering .....	54.7	56.7	38.0
Delivery service free .....	53.4	52.7	43.2
Floor display .....	36.6	41.2	31.5
Purchasing frozen foods .....	24.2	40.3	40.6
Delivery f.o.b. ....	32.3	33.6	35.2
Accounting system .....	16.8	26.7	10.9
Recordkeeping aids .....	28.0	26.4	17.3
Purchasing meat .....	8.1	23.9	16.6
Purchasing dairy items .....	18.6	23.3	25.8
Purchasing produce .....	20.5	22.1	20.7

1/ There were 24 additional services mentioned, ranging from educational meetings and suggesting prices to lease service guarantees. Only 5 sponsors listed such services, but 642 members used the educational and 560 the suggested retail prices, etc. For definition of "sponsor wholesalers," see footnote 5, p. 28.

2/ (161 = 100 percent)

3/ (330 = 100 percent)

4/ (35,822 = 100 percent)

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Closely related to the services listed here are the basic functions of processing and assembly. Table 15 reports the acquisition of assembly and processing establishments by multiestablishment food distribution organizations.

While tables 15 and 16 indicate the extent of multiestablishment organization operation of assembly and processing plants, they do not report the percentage of total dollar expenditures by source of purchase for retail distributive organizations composed of 11 or more establishments per firm. Table 17 gives these percentages for each establishment department. Thus 93.6 percent of the total value of meat purchases came from independent sources, 4.0 percent from their own plants, 1.9 percent from service wholesalers, and 0.5 percent from other sources.

Table 15.--Acquisitions of assembly and processing establishments by multiestablishment food distribution organizations, 1948-1958

Type of multiestablishment organization	Assembly		Processing	
	Establish-	Sales	Establish-	Sales
	ments	<u>1/</u>	ments	
	Number	1,000 dol.	Number	1,000 dol.
Sponsor voluntary wholesalers ...	70	n.a.	6	n.a.
Retailer owned cooperative wholesaler .....	5	16,267	2	600 <u>2/</u>
Multiestablishment retail food companies with 11 or more establishments per firm .....	21	144	58	102

1/ Wholesale sales, year previous to acquisition.

2/ Value of shipments, year previous to acquisition. Available only for 1 of 2 establishments acquired by retailer owned cooperatives.

Compiled from FTC Inquiry, Part I.

Table 16.--Food processing establishments operated by retail food companies with 11 or more establishments per firm, 1958

Kind of establishment	Establish-	Value of shipments		
		Total	Percentage shipped to	
			Own stores	Others
	Number	Mil. dol.	Percent	Percent
Meat packing plants .....	9	149.0	66	34
Prepared meats .....	14	78.1	69	31
Poultry dressing .....	5	8.6	74	26
Dairy (excluding milk) .....	42	55.6	81	19
Concentrated milk .....	13	57.2	81	19
Fluid milk .....	27	95.9	84	16
Canning, preserving, freezing ...	18	99.1	89	11
Breads and related products ....	147	368.5	99	1
Confectionery .....	8	43.2	100	<u>1/</u>
Coffee, roasted & concentrated ..	39	234.4	92	8
Miscellaneous (except coffee) ...	18	105.4	80	20

1/ For confectionery products, 0.5 percent of value of shipments was shipped to "other" and 99.5 percent to own stores.

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Table 17.--Distribution of total value of purchases among sources of supply, retail food firms with 11 or more establishments, 1958

Source of supply	Type of product				
	Meat	Produce	Groceries	Other	Total <sup>1/</sup>
	Percent	Percent	Percent	Percent	Percent
Manufacturing or assembly plants:					
Company-owned .....	4.0	<sup>2/</sup>	11.2	0.3	8.1
Independent .....	93.6	95.9	82.2	88.0	86.4
Wholesalers:					
Voluntary and coop. ....	.1	.3	1.2	1.0	.9
Service .....	1.9	2.5	2.8	8.9	2.8
Affiliated .....	.4	1.3	2.6	1.8	1.9
Total .....	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> Totals do not add to 100.0 because of rounding.

<sup>2/</sup> Less than 0.05 percent.

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Corresponding percentages of total value of purchase of fresh produce were 95.9 percent from independent assemblers, less than  $\frac{1}{2}$  of 1 percent from company-owned plants; 1.3 percent from affiliated wholesalers; 2.5 percent from service wholesalers, and 0.3 percent from voluntary sponsored and retailer-owned wholesalers. In like manner, for groceries, 11.2 percent of total value of produce was obtained from their own establishments, 82.2 percent from independents, 2.8 percent from service wholesalers, and 2.6 percent from affiliated wholesalers and 1.2 percent from others.

#### Possible Consequences for Farmers

Firm Size and Commodity Specifications.--Mass merchandising by retail food distribution organizations requires that their suppliers assemble vast quantities of commodities of high and uniform quality. Today, orders of products for mass merchandising frequently are in multiple carlots. The single carlot purchase no longer is a symbol of big business.

Since purchasers demand deliveries of this magnitude, assemblers who supply them must operate on a large scale. Assemblers are growing in size and probably will decrease in number as far as central administrative units are concerned, although not necessarily in numbers of assembly establishments. When this development occurs farmers will discover they no longer may deal with the multiplicity of small- and medium-size firms as generally in the past. Some observers contend that with fewer firms competing for commodities, prices may become so stable that they will not always reflect changes in supply and demand conditions. Furthermore, farmers, not conforming to the color and uniformity

specifications demanded by mass merchandisers, will encounter increasing difficulties in finding satisfactory sales outlets even though their produce may be both palatable and nutritious.

Land Utilization.--In respect to land utilization, two diverse results can occur from mass purchasing. Some areas which harvest once a year may discover they no longer can diversify with small acreages of fruits and truck crops and each grower bringing his harvest from a few acres to a processing plant or fresh produce assembly point. Instead, the area may be forced to concentrate so that lots of sufficient size and uniformity can be delivered.

In direct contrast, growers in areas where climate permits year-round harvest may find they must accommodate to forces requiring greater diversification, so that processing plants may be kept in continuous operation to supply year-round products of specific fresh items that are continuously required. If these developments occur, important growing areas will experience significant changes in their historical rotation and cropping practices.



ADVERTISING EXPENDITURES BY FOOD MANUFACTURING CORPORATIONS 1/  
1947-57

Information on advertising expenditures by the food manufacturing, wholesaling, and retailing industries was published in the January 1960 issue of this Situation. This article presents data on advertising expenditures for individual food manufacturing industries.

Advertising expenditures by corporations engaged in manufacturing farm food products increased from \$320 million in 1947 to \$759 million in 1957, the latest year for which data are available (table 18). 2/ Some of the reasons for this increase are (1) an 8-percent rise in number of food manufacturing firms, as reported by the Internal Revenue Service; (2) large introductory promotion of new products; (3) constantly rising media rates, and (4) efforts to increase market share.

During the last 10 years all food manufacturing industries except those classified under Cereal preparations have experienced larger percentage increases in their advertising expenditures than in their total costs or gross sales, hence, their advertising expenditures increased as a percentage of total costs and gross sales (table 19). Efforts to increase market share offer one explanation why food manufacturers' advertising expenditures have grown faster than gross sales and total costs.

Among the 10 major food manufacturing industries, 4 had advertising expenditures of more than \$100 million--Bakery products; Canning fruits, vegetables, and seafoods; Food and kindred products not allocable to other food manufacturing groups; and Other food and kindred products not elsewhere classified (table 18).

Among industries, advertising expenditures varied widely as a percentage of total costs and gross sales (table 19). Over the 10-year period studied, advertising costs ranged from less than 1 percent of total costs and gross sales in the sugar and meat industries to about 5 percent in the Cereal preparations industry and about 7 percent in the Food and kindred products not allocable group.

The industry categories, Other food products not elsewhere classified and Food and kindred products not allocable to other food manufacturing groups, are two classifications used by Internal Revenue Service (tables 18 and 19). The former includes firms manufacturing products included in the miscellaneous food preparations and kindred products category of the Census Standard Industrial Classification Code, but the latter is a special category established by the Internal Revenue Service. This category includes all corporations whose self-classification did not enable the Internal Revenue Service to place them in a specific industry category. For example, if a company either did not report specific percentages of its sales which were derived from each of its commodities, or reported 50 percent for each of two commodities, it would have been included under this category. Many large multi-product companies fall in this group.

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1/ Prepared by Roberta Lamb, Agricultural Economist, Marketing Economics Research Division, Agricultural Marketing Service.

2/ Estimates of food manufacturing corporations' advertising expenditures were made by the Agricultural Marketing Service from data obtained from the Internal Revenue Service. For a discussion of the IRS definition of advertising costs, see January 1960 issue of this Situation (MTS-136), p. 41.

Table 18.--Advertising expenditures by corporations manufacturing food and kindred products,  
by industry group, 1947-51 and 1953-57 <sup>1/</sup>

Industry group	1947	1948	1949	1950	1951	1953	1954	1955	1956	1957
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Bakery products .....	38.8	43.3	51.8	56.9	62.8	72.8	75.4	92.2	97.5	111.1
Canning fruits, vegetables and seafoods .....	41.1	45.6	53.3	57.1	64.7	80.4	91.3	106.9	110.9	112.4
Cereal preparations .....	18.7	20.7	22.0	25.3	28.3	18.7	20.1	22.0	25.6	26.0
Confectionery .....	34.7	33.5	31.5	34.2	38.8	39.6	42.5	46.7	48.3	54.2
Dairy products .....	42.4	42.4	47.2	54.3	65.3	70.9	80.3	87.0	91.5	78.1
Grain mill products except cereal preparations <sup>2/</sup> .....	20.8	21.1	21.8	23.3	25.0	36.8	36.3	39.9	33.4	31.0
Meat products .....	38.4	46.5	51.7	51.5	50.0	61.5	72.7	75.3	86.5	88.5
Sugar .....	1.1	1.4	1.8	2.5	2.9	2.9	2.9	3.5	3.8	4.2
Food and kindred products not allocable .....	36.1	39.9	43.3	69.2	63.6	83.7	87.9	102.6	104.8	115.1
Other food and kindred products .....	47.4	51.3	50.0	60.8	68.7	91.1	101.5	112.2	121.7	138.2
Total .....	319.5	345.7	374.4	435.1	470.1	558.4	610.9	688.3	724.0	758.8

<sup>1/</sup> Data for 1952 are not available

<sup>2/</sup> Figures have been adjusted to exclude nonfood items.

Estimates based on data obtained from Internal Revenue Service.



Table 19.--Advertising costs of food manufacturing corporations as a percentage of total costs and gross sales, 1947 and 1957

Industry	As a percentage of total costs		As a percentage of gross sales	
	1947	1957	1947	1957
	Percent	Percent	Percent	Percent
Bakery .....	1.7	2.9	1.6	2.8
Canning fruits, vegetables, and seafoods .....	1.9	2.7	1.8	2.6
Cereal preparations .....	5.4	5.4	5.0	4.8
Confectionery .....	2.9	3.8	2.6	3.5
Dairy .....	1.2	1.9	1.2	1.9
Food and kindred products not allocable to other food manu- facturers .....	3.5	7.3	3.3	6.8
Grain mill .....	.9	1.7	.8	1.7
Meat .....	.3	.6	.3	.6
Other food and kindred products not elsewhere classified .....	2.5	4.3	2.3	4.0
Sugar .....	<u>1/</u>	.3	<u>1/</u>	.3
<u>1/</u> Less than 0.05 percent.				

The changes in dollar expenditures for advertising by corporations in the group, Food and kindred products not allocable, must be interpreted with great caution as the number of establishments within this category fluctuated by 174 percent over the 1947-57 period.

The group, Other food and kindred products not elsewhere classified, spent more for advertising than any other food processing industry during this period. Its advertising expenditures ranged from 14 to 18 percent of the total spent by food manufacturers from 1947-57, and the number of establishments in this category was quite stable. This group also had the largest number of firms over the 10-year period.

Sugar manufacturers accounted for the smallest percentage of total advertising expenditures by food manufacturers over the period studied (table 18). The lack of differentiation in the physical properties of sugar produced by different companies, the small percentage of their product sold at retail, and the very low income elasticity of sugar all help to explain why this industry spends less on advertising than other food manufacturers.

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2. "Changes in the Market Structure of Grocery Retailing 1940-58," by Willard F. Mueller and Leon Garoian, Wis. Agr. Expt. Sta., Res. Rpt. 5, Apr. 1960.
3. "Class III Milk in the New York Milk Shed" --  
 "I-Manufacturing Operations," by Fields W. Cobb, Jr. and D. A. Clarke, Jr., U.S. Dept. Agr., Mktg. Res. Rpt. 379, Jan. 1960.  
 "II-An Economic Description of the Manufactured Dairy Products Industry," by D. A. Clarke, Jr., C. E. McAllister, and Donald B. Agnew, U.S. Dept. Agr., Mktg. Res. Rpt. 396, Apr. 1960.  
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4. "Commercial Poultry Slaughter Plants in the United States," by Fred L. Faber, U.S. Dept. Agr., AMS-379, Apr. 1960.
5. "Consumption of Processed Farm Foods in the United States," by Marguerite C. Burk, U.S. Dept. Agr., Mktg. Res. Rpt. 409, June 1960.
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11. "Market Potential for Fats and Oils as Plasticizers," by Richard Hall, U.S. Dept. Agr., AMS-382, May 1960.
12. "Marketing and Pricing Puerto Rican Raw Sugar," by Robert G. Martin and O. C. Hester, U.S. Dept. Agr., Mktg. Res. Rpt. 394, Apr. 1960.
13. "Marketing Milk in Alaska," by Jack E. Klein, U.S. Dept. Agr., Mktg. Res. Rpt. 385, Mar. 1960. (Alaska Agr. Expt. Sta. and AMS cooperating.)
14. "Measures of Operating Efficiency in Wholesale Food Warehouses," by John C. Bouma and Martin Kriesberg, U.S. Dept. Agr., Mktg. Res. Rpt. 399, May 1960.
15. "Meat Consumption Trends and Patterns," by the Consumption Section, Agr. Econ. Div., U.S. Dept. Agr., Agr. Handbook 187, July 1960.
16. "Mechanical Sampling of Cotton," by Maurice R. Cooper, J. D. Campbell, and D. L. Pritchard, U.S. Dept. Agr., Mktg. Res. Rpt. 412, July 1960.
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18. "New York City Wholesale Fresh Fruits and Vegetable Markets," by Harry G. Clowes, U.S. Dept. Agr., Mktg. Res. Rpt. 389, June 1960.
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20. "Pima S-1 Cotton - Marketing - Promotion - Mill Use," by Carl R. Hall and Charles A. Wilmot, N. Mex. Agr. Expt. Sta., Bul. 446, June 1960.
21. "Processing and Marketing Turkeys in the North Central States," by W. P. Mortenson, Wis. Agr. Expt. Sta., Bul. 543, Feb. 1960. (Agr. Expt. Sta. of Ill., Ind., Iowa, Kan., Ky., Mich., Minn., Mo., Neb., N. Dak., Ohio, S. Dak., and Wis., FCS and AMS cooperating.)
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:	Publications issued by State Agricultural Experiment	:
:	Stations may be obtained from the issuing Station.	:
:		:



Table 20.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, April-June 1960 <sup>1/</sup>

Product <sup>2/</sup>	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket <sup>3/</sup> .....			1,054.09	---	---	410.99	643.10	39
Meat products .....			276.49	---	---	149.13	127.36	54
Dairy products .....			196.79	---	---	85.74	111.05	44
Poultry and eggs .....		Average quantities purchased	88.12	---	---	54.36	33.76	62
Bakery and cereal products	Farm produce equivalent to products bought by urban families	per urban wage-earner and clerical-						
All ingredients .....		worker	163.15	---	---	28.50	134.65	17
Grain .....		family	163.15	24.67	3.17	21.50	---	13
All fruits and vegetables .....		in 1952	245.44	---	---	75.14	170.30	31
Fresh fruits and vegetables			152.24	---	---	56.11	96.13	37
Fresh vegetables .....			76.65	---	---	26.16	50.49	34
Processed fruits and vegetables .....			93.20	---	---	19.02	74.18	20
Fats and oils .....			40.35	---	---	10.96	29.39	27
Miscellaneous products .....			43.75	---	---	7.17	36.58	16
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) .....	2.16 lb. Choice grade cattle	Pound	81.9	54.8	4.6	50.2	31.7	61
Lamb (Choice grade) .....	2.36 lb. lamb	Pound	71.7	47.2	7.4	39.8	31.9	56
Pork (retail cuts) .....	2.13 lb. hogs	Pound	56.0	34.3	4.6	29.7	26.3	53
Butter .....	Cream and whole milk	Pound	74.2	---	---	52.4	21.8	71
Cheese, American process .....	Milk for American cheese	1/2 pound	33.9	---	---	14.1	19.8	42
Ice cream .....	Cream and milk	1/2 gallon	86.9	---	---	4/22.3	64.6	26
Milk, evaporated .....	Milk for evaporating	14-1/2 ounce can	15.7	---	---	6.3	9.4	40
Milk, fluid .....	Wholesale fluid milk	Quart	24.9	---	---	10.4	14.5	42
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	43.3	---	---	24.2	19.1	56
Eggs .....	1.03 doz.	Dozen	51.9	---	---	34.3	17.6	66
Bread, white								
All ingredients .....	Wheat and other ingredients	Pound	20.0	---	---	2.8	17.2	14
Wheat .....	.894 lb. wheat	Pound	20.0	2.7	.4	2.3	17.7	12
Crackers, soda .....	1.40 lb. wheat	Pound	28.9	4.1	.4	3.7	25.2	13
Corn flakes .....	1.57 lb. white corn	12 ounces	25.7	3.2	.8	2.4	23.3	9
Corn meal .....	1.34 lb. white corn	Pound	13.0	2.7	.3	2.4	10.6	18
Flour, white .....	7.0 lb. wheat	5 pounds	55.4	20.8	2.5	18.3	37.1	33
Rolls oats .....	2.31 lb. oats	18 ounces	22.0	4.9	.9	4.0	18.0	18
Apples .....	1.08 lb. apples	Pound	17.8	---	---	5.6	12.2	31
Grapefruit .....	1.04 grapefruit	Each	13.8	---	---	2.6	11.2	19
Lemons .....	1.04 lb. lemons	Pound	18.2	---	---	4.2	14.0	23
Oranges .....	1.04 doz. oranges	Dozen	69.7	---	---	25.5	44.2	37
Beans, green .....	1.09 lb. snap beans	Pound	25.2	---	---	10.3	14.9	41
Cabbage .....	1.10 lb. cabbage	Pound	10.7	---	---	3.1	7.6	29
Carrots .....	1.06 lb. carrots	Pound	13.1	---	---	3.3	9.8	25
Celery .....	1.11 lb. celery	Pound	13.1	---	---	3.7	9.4	28
Lettuce .....	1.41 lb. lettuce	Head	16.9	---	---	5.4	11.5	32
Onions .....	1.06 lb. onions	Pound	9.5	---	---	2.8	6.7	29
Potatoes .....	10.42 lb. potatoes	10 pounds	79.4	---	---	29.4	50.0	37
Sweetpotatoes .....	1.12 lb. sweetpotatoes	Pound	13.5	---	---	4.4	9.1	33
Tomatoes .....	1.18 lb. tomatoes	Pound	38.6	---	---	13.3	25.3	34
Orange juice, canned .....	5.88 lb. Fla. oranges for canning	46 ounce can	42.4	---	---	13.1	29.3	31
Peaches, canned .....	1.89 lb. Calif. cling	No. 2-1/2 can	33.6	---	---	5.5	28.1	16
Beans with pork, canned .....	.35 lb. Mich. dry beans	16 ounce can	14.9	---	---	2.0	12.9	13
Corn, canned .....	2.49 lb. sweet corn	No. 303 can	19.0	---	---	2.3	16.7	12
Peas, canned .....	.69 lb. peas for canning	No. 303 can	20.2	---	---	3.0	17.2	15
Tomatoes, canned .....	1.84 lb. tomatoes for processing	No. 303 can	16.0	---	---	2.3	13.7	14
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	22.0	---	---	8.4	13.6	38
Strawberries, frozen .....	.51 lb. strawberries for processing	10 ounces	26.5	---	---	7.0	19.5	26
Beans, green, frozen .....	.71 lb. beans for processing	9 ounces	23.0	---	---	4.3	18.7	19
Peas, frozen .....	.70 lb. peas for freezing	10 ounces	19.7	---	---	3.2	16.5	16
Dried beans (navy) .....	1.00 lb. Mich. dry beans	Pound	16.7	---	---	5.7	11.0	34
Dried prunes .....	.97 lb. dried prunes	Pound	39.5	---	---	17.1	22.4	43
Margarine, colored .....	Soybeans, cottonseed, and milk	Pound	26.7	---	---	6.6	20.1	25
Peanut butter .....	1.77 lb. peanuts	Pound	55.3	---	---	19.6	35.7	35
Salad dressing .....	Cottonseed, soybeans, sugar, and eggs	Pint	36.0	---	---	6.1	29.9	17
Vegetable shortening .....	Soybeans and cottonseed	3 pounds	80.9	---	---	23.8	57.1	29
Corn sirup .....	1.90 lb. corn	24 ounces	26.6	3.6	.6	3.0	23.6	11
Sugar .....	37.97 lb. sugar beets	5 pounds	57.4	21.5	1.1	5/20.4	5/37.0	5/36

<sup>1/</sup> The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

<sup>2/</sup> Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

<sup>3/</sup> Market basket total may differ from sum of product group totals because of rounding of averages.

<sup>4/</sup> Includes farm value of cream and milk only.

<sup>5/</sup> Net farm value adjusted for Government payments to producer was 25.0 cents, farm-retail spread adjusted for Government processor tax was 34.3 cents, farmer's share of retail cost based on adjusted farm value was 44 percent.

Preliminary estimates.

Table 21.- Farm food products: Retail cost and farm value, April-June 1960, January-March 1960, April-June 1959, and 1947-49 average 1/

Product 2/	Retail unit	Retail cost								Net farm value 3/					
		Apr.-		Jan.-		Apr.-		Percentage change:		Apr.-		Apr.-		Percentage change	
		June		Mar.		June		from -		June		June		from -	
		1960	1960	1960	1960	1959	1959	Jan.-	Apr.-	1960	1960	1959	1959	Jan.-	Apr.-
		4/	5/	4/	5/	1959	1959	Mar.	June	4/	4/	4/	4/	Mar.	June
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket 6/		1,054.09	1,029.90	5/1,040.41	940.09	2	1	410.99	5/397.79	5/402.25	466.02	3	2		
Meat products		276.49	268.57	284.04	256.08	3	-3	149.13	5/141.70	5/155.17	170.90	5	-4		
Dairy products		196.79	199.11	5/192.48	169.28	-1	2	85.74	5/89.18	5/84.08	91.66	-4	2		
Poultry and eggs	Average quantities purchased	88.12	84.74	79.61	117.01	4	11	54.36	51.28	5/45.25	80.69	6	20		
Bakery and cereal products	per urban wage-earner and clerical-worker family in 1952	163.15	162.50	161.18	121.96	7/	1	28.50	5/28.29	5/28.04	34.97	1	2		
All ingredients		---	---	---	---	---	---	21.50	21.62	5/20.94	24.96	-1	3		
Grain		---	---	---	---	---	---	---	---	---	---	---	---	---	---
All fruits and vegetables		245.44	230.89	236.69	184.68	6	4	75.14	5/70.18	5/70.52	60.93	7	7		
Fresh fruits and vegetables		152.24	137.58	139.24	103.91	11	9	56.11	5/50.70	5/47.42	42.91	11	18		
Fresh vegetables		76.65	74.22	72.27	53.17	3	6	26.16	25.52	5/23.56	22.97	3	11		
Processed fruits and vegetables		93.20	93.31	97.45	---	7/	-4	19.02	5/19.48	5/23.10	---	-2	-18		
Fats and oils		40.35	40.63	42.82	52.21	-1	-6	10.96	5/10.08	5/11.79	19.84	9	-7		
Miscellaneous products		43.75	43.46	43.58	38.87	1	7/	7.17	7.08	5/7.40	7.03	1	-3		
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent		
Beef (Choice grade)	Pound	81.9	81.2	83.4	68.5	1	-2	50.2	5/50.3	5/53.1	48.5	7/	-5		
Lamb (Choice grade)	Pound	71.7	68.8	73.1	63.9	4	-2	39.8	36.6	40.6	44.2	9	-2		
Pork (retail cuts)	Pound	56.0	52.3	58.2	59.4	7	-4	29.7	25.3	5/29.5	39.7	17	1		
Butter	Pound	74.2	74.7	74.2	79.4	-1	0	52.4	5/52.8	5/51.6	59.3	-1	2		
Cheese, American process	1/2 pound	33.9	33.8	32.9	29.8	7/	3	14.1	14.9	13.8	16.0	-5	2		
Ice cream	1/2 gallon	86.9	87.6	87.9	---	-1	-1	8/22.3	5/8/22.6	8/21.9	---	-1	2		
Milk, evaporated	14 1/2 ounce can	15.7	15.7	15.2	13.7	0	3	6.3	6.4	6.1	7.1	-2	3		
Milk, fluid	Quart	24.9	25.3	24.2	20.1	-2	3	10.4	5/11.0	10.2	10.6	-5	2		
Chickens, frying, ready-to-cook	Pound	43.3	43.3	42.1	---	0	3	24.2	24.1	5/21.8	---	7/	11		
Eggs	Dozen	51.9	48.4	44.2	66.7	7	17	34.3	31.2	5/27.0	48.0	10	27		
Bread, white															
All ingredients	Pound	20.0	19.9	19.7	13.5	1	2	2.8	2.9	2.8	3.3	-3	0		
Wheat	Pound	---	---	---	---	---	---	2.3	2.4	2.3	2.7	-4	0		
Crackers, soda	Pound	28.9	28.9	29.2	---	0	-1	3.7	3.7	3.5	---	0	6		
Corn flakes	12 ounces	25.7	25.7	25.6	17.1	0	7/	2.4	2.2	5/2.4	3.2	9	0		
Corn meal	Pound	13.0	13.1	13.0	11.8	-1	0	2.4	2.2	2.5	3.6	9	-4		
Flour, white	5 pounds	55.4	54.7	54.7	48.4	1	1	18.3	18.4	5/17.7	21.0	-1	3		
Roller oats	18 ounces	22.0	21.7	20.4	14.5	1	8	4.0	4.0	3.6	4.9	0	11		
Apples	Pound	17.8	14.1	15.6	11.9	26	14	5.6	4.8	3.3	4.3	17	70		
Grapefruit	Each	13.8	12.1	12.6	8.5	14	10	2.6	2.1	2.3	1.4	24	13		
Lemons	Pound	18.2	19.2	18.4	17.7	-5	-1	4.2	4.7	4.9	5.7	-11	-14		
Oranges	Dozen	69.7	64.2	65.6	46.6	9	6	25.5	21.4	23.2	12.6	19	10		
Beans, green	Pound	25.2	31.2	25.7	21.1	-19	-2	10.3	14.0	10.0	9.3	-26	3		
Cabbage	Pound	10.7	10.7	8.8	6.9	0	22	3.1	2.3	1.8	1.9	35	72		
Carrots	Pound	13.1	13.3	14.2	11.1	-2	-8	3.3	2.2	3.3	4.0	50	0		
Celery	Pound	13.1	14.8	13.3	---	-11	-2	3.7	3.9	3.5	---	-5	6		
Lettuce	Head	16.9	18.9	15.3	14.5	-11	10	5.4	7.8	4.3	6.3	-31	26		
Onions	Pound	9.5	8.5	14.0	8.4	12	-32	2.8	1.5	5.6	3.7	87	-50		
Potatoes	10 pounds	79.4	67.8	69.5	51.9	17	14	29.4	23.9	5/24.9	25.6	23	18		
Sweetpotatoes	Pound	13.5	12.7	14.4	11.6	6	-6	4.4	3.9	5/4.2	4.8	13	5		
Tomatoes	Pound	38.6	37.0	32.3	---	4	20	13.3	14.6	10.0	---	-9	33		
Orange juice, canned	46 ounce can	42.4	44.0	49.1	---	-4	-14	13.1	13.1	19.9	---	0	-34		
Peaches, canned	No. 2-1/2 can	33.6	33.6	36.4	31.5	0	-8	5.5	5/5.5	6.1	5.3	0	-10		
Beans with pork, canned	16 ounce can	14.9	14.9	15.1	---	0	-1	2.0	2.0	2.5	---	0	-20		
Corn, canned	No. 303 can	19.0	18.8	19.5	16.7	1	-3	2.3	2.3	2.3	2.7	0	0		
Peas, canned	No. 303 can	20.2	20.0	20.7	21.4	1	-2	3.0	3.0	3.0	3.0	0	0		
Tomatoes, canned	No. 303 can	16.0	15.4	15.6	14.2	4	3	2.3	2.3	5/2.3	2.6	0	0		
Orange juice concentrate, frozen	6 ounce can	22.0	22.7	24.9	---	-3	-12	8.4	10.0	11.4	---	-16	-26		
Strawberries, frozen	10 ounces	26.5	26.6	25.9	---	7/	2	7.0	6.9	6.2	---	1	13		
Beans, green, frozen	9 ounces	23.0	22.7	22.7	---	1	1	4.3	4.3	4.3	---	0	0		
Peas, frozen	10 ounces	19.7	19.9	19.9	---	-1	-1	3.2	3.2	3.1	---	0	3		
Dried beans (navy)	Pound	16.7	16.8	17.3	19.9	-1	-3	5.7	5.7	7.2	9.7	0	-21		
Dried prunes	Pound	39.5	39.4	40.0	23.1	7/	-1	17.1	17.1	5/18.9	8.8	0	-10		
Margarine, colored	Pound	26.7	27.1	27.8	39.7	-1	-4	6.6	6.2	5/7.3	12.2	6	-10		
Peanut butter	Pound	55.3	55.4	55.8	---	7/	-1	19.6	5/18.5	20.1	---	6	-2		
Salad dressing	Pint	36.0	36.2	37.8	37.8	-1	-5	6.1	5.7	5/6.6	10.0	7	-8		
Vegetable shortening	3 pounds	80.9	81.6	88.3	105.6	-1	-8	23.8	21.9	5/26.7	46.2	9	-11		
Corn sirup	24 ounces	26.6	26.6	26.4	---	0	1	3.0	2.7	3.1	---	11	-3		
Sugar	5 pounds	57.4	57.5	56.7	48.4	7/	1	20.4	20.4	5/20.5	19.4	0	7/		

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

4/ Preliminary estimates.

5/ Most retail cost figures for Jan.-Mar. 1960 have been revised; figures in other columns revised as indicated.

6/ Sum of product groups may differ slightly from market-basket total because of rounding of averages.

7/ Less than 0.5 percent.

8/ Farm value of cream and milk only.



Table 22.- Farm food products: Farm-retail spread and farmer's share of the retail cost, April-June 1960, January-March 1960, April-June 1959, and 1947-49 average 1/

Product 2/	Retail unit	Farm-retail spread 3/				Farmer's share					
		Apr.-June 1960	Jan.-Mar. 1960	Apr.-June 1959	1947-49 average	Percentage change from -		Apr.-June 1960	Jan.-Mar. 1960	Apr.-June 1959	1947-49 average
		4/	5/	1959		Jan.-Mar. 1960	Apr.-June 1959	4/			
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket 6/		643.10	632.11	5/638.16	474.07	2	1	39	5/39	39	50
Meat products		127.36	126.87	5/128.87	85.18	7/	-1	54	53	55	67
Dairy products		111.05	109.93	5/108.40	77.62	1	2	44	45	44	54
Poultry and eggs	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	33.76	33.46	5/34.36	36.32	1	-2	62	5/61	57	69
Bakery and cereal products		134.65	134.21	5/133.14	86.99	7/	1	17	17	17	29
All ingredients		---	---	---	---	---	---	13	13	13	20
Grain		170.30	160.71	5/166.17	123.75	6	2	31	30	30	33
All fruits and vegetables		96.13	86.88	5/91.82	61.00	11	5	37	5/37	34	41
Fresh fruits and vegetables		50.49	48.70	5/48.71	30.20	4	4	34	34	33	43
Fresh vegetables		74.18	73.83	5/74.35	---	7/	7/	20	21	24	---
Processed fruits and vegetables		29.39	30.55	5/31.03	32.37	-4	-5	27	25	5/28	38
Fats and oils		36.58	36.38	5/36.18	31.84	1	1	16	16	17	18
Miscellaneous products											
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade)	Pound	31.7	30.9	5/30.3	20.0	3	5	61	62	64	71
Lamb (Choice grade)	Pound	31.9	32.2	5/32.5	19.7	-1	-2	56	53	56	69
Pork (retail cuts)	Pound	26.3	27.0	5/28.7	19.7	-3	-8	53	48	51	67
Butter	Pound	21.8	21.9	5/22.6	20.1	7/	-4	71	5/71	5/70	75
Cheese, American process	1/2 pound	19.8	18.9	19.1	13.8	5	4	42	44	42	54
Ice cream	1/2 gallon	64.6	65.0	66.0	---	-1	-2	26	26	25	---
Milk, evaporated	1 1/2 ounce can	9.4	9.3	9.1	6.6	1	3	40	41	40	52
Milk, fluid	Quart	14.5	14.3	14.0	9.5	1	4	42	43	42	53
Chickens, frying, ready-to-cook	Pound	19.1	19.2	5/20.3	---	-1	-6	56	56	52	---
Eggs	Dozen	17.6	17.2	5/17.2	18.7	2	2	66	5/64	61	72
Bread, white											
All ingredients	Pound	17.2	17.0	16.9	10.2	1	2	14	15	14	24
Wheat	Pound	---	---	---	---	---	---	12	12	12	20
Crackers, soda	Pound	25.2	25.2	25.7	---	0	-2	13	13	12	---
Corn flakes	12 ounces	23.3	23.5	5/23.2	13.9	-1	7/	9	9	5/9	19
Corn meal	Pound	10.6	10.9	10.5	8.2	-3	1	18	17	19	31
Flour, white	5 pounds	37.1	36.3	5/37.0	27.4	2	7/	33	34	5/32	43
Roller oats	18 ounces	18.0	17.7	16.8	9.6	2	7	18	5/18	18	34
Apples	Pound	12.2	9.3	12.3	7.6	31	-1	31	34	21	36
Grapefruit	Each	11.2	10.0	10.3	7.1	12	9	19	17	18	16
Lemons	Pound	14.0	14.5	13.5	12.0	-3	4	23	24	27	32
Oranges	Dozen	44.2	42.8	42.4	34.0	3	4	37	5/33	35	27
Beans, green	Pound	14.9	17.2	15.7	11.8	-13	-5	41	45	39	44
Cabbage	Pound	7.6	8.4	7.0	5.0	-10	9	29	21	20	28
Carrots	Pound	9.8	11.1	10.9	7.1	-12	-10	25	17	23	36
Celery	Pound	9.4	10.9	9.8	---	-14	-4	28	26	26	---
Lettuce	Head	11.5	11.1	11.0	8.2	4	5	32	41	28	43
Onions	Pound	6.7	7.0	8.4	4.7	-4	-20	29	18	40	44
Potatoes	10 pounds	50.0	43.9	5/44.6	26.3	14	12	37	5/35	5/36	49
Sweetpotatoes	Pound	9.1	8.8	5/10.2	6.8	3	-11	33	5/31	5/29	41
Tomatoes	Pound	25.3	22.4	22.3	---	13	13	34	5/39	31	---
Orange juice, canned	46 ounce can	29.3	30.9	29.2	---	-5	7/	31	30	41	---
Peaches, canned	No. 2-1/2 can	28.1	28.1	30.3	26.2	0	-7	16	5/16	17	17
Beans with pork, canned	16 ounce can	12.9	12.9	12.6	---	0	2	13	13	17	---
Corn, canned	No. 303 can	16.7	16.5	17.2	14.0	1	-3	12	12	12	16
Peas, canned	No. 303 can	17.2	17.0	17.7	18.4	1	-3	15	15	14	14
Tomatoes, canned	No. 303 can	13.7	13.1	5/13.3	11.6	5	3	14	15	15	18
Orange juice concentrate, frozen	6 ounce can	13.6	12.7	13.5	---	7	1	38	44	46	---
Strawberries, frozen	10 ounces	19.5	19.7	19.7	---	-1	-1	26	26	24	---
Beans, green, frozen	9 ounces	18.7	18.4	18.4	---	2	2	19	19	19	---
Peas, frozen	10 ounces	16.5	16.7	16.8	---	-1	-2	16	16	16	---
Dried beans (navy)	Pound	11.0	11.1	10.1	10.2	-1	9	34	34	42	49
Dried prunes	Pound	22.4	22.3	5/21.1	14.3	7/	6	43	43	5/47	38
Margarine, colored	Pound	20.1	20.9	5/20.5	27.5	-4	-2	25	23	26	31
Peanut butter	Pound	35.7	36.9	35.7	---	-3	0	35	5/33	36	---
Salad dressing	Pint	29.9	30.5	5/31.2	27.8	-2	-4	17	16	17	26
Vegetable shortening	3 pounds	57.1	59.7	5/61.6	59.4	-4	-7	29	27	5/30	44
Corn sirup	24 ounces	23.6	23.9	23.3	---	-1	1	11	10	12	---
Sugar	5 pounds	37.0	37.1	5/36.2	29.0	7/	2	36	35	5/36	40

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ The farm-retail spread is the difference between the retail cost and the net farm value, table

4/ Preliminary estimates.

5/ Most farm-retail spread figures for Jan.-Mar. 1960 have been revised; figures in other columns revised as indicated.

6/ Sum of product groups may differ slightly from market-basket total because of rounding of averages.

7/ Less than 0.5 percent.

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